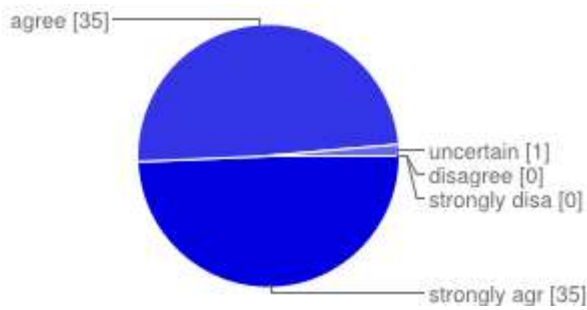


Appendix A

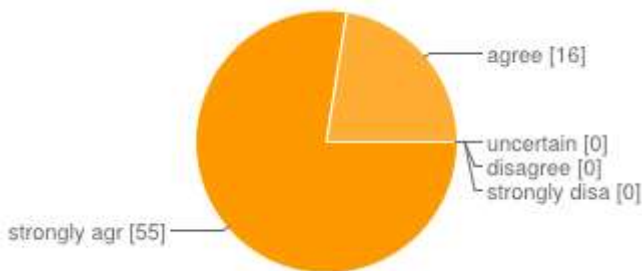
Procurement Officers' Survey Results

1. The State's procurement processes, defined by rules of the SC Procurement Code, are designed to prevent fraud, collusion, or unjust favoritism in the award of public contracts.



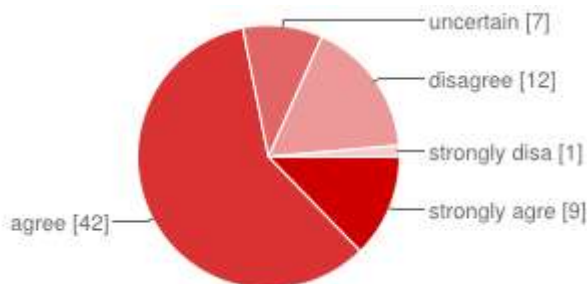
strongly agree	35	49%
agree	35	49%
uncertain	1	1%
disagree	0	0%
strongly disagree	0	0%

2. My agency operates within the State procurement guidelines with fairness.



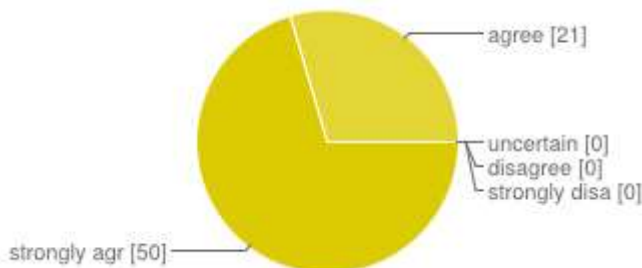
strongly agree	55	77%
agree	16	23%
uncertain	0	0%
disagree	0	0%
strongly disagree	0	0%

3. The State's procurement processes are easily understood.



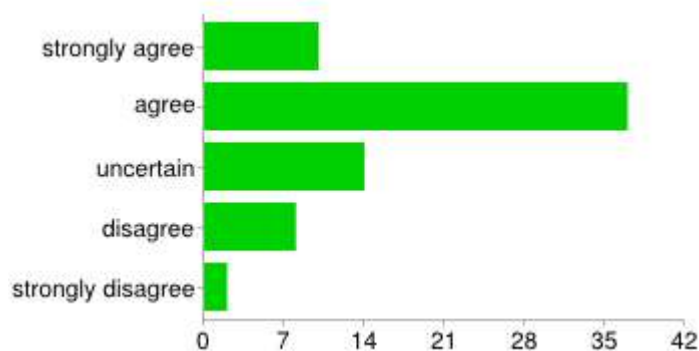
strongly agree	9	13%
agree	42	59%
uncertain	7	10%
disagree	12	17%
strongly disagree	1	1%

4. The employees charged with the responsibility to conduct the procurement processes operate with integrity.



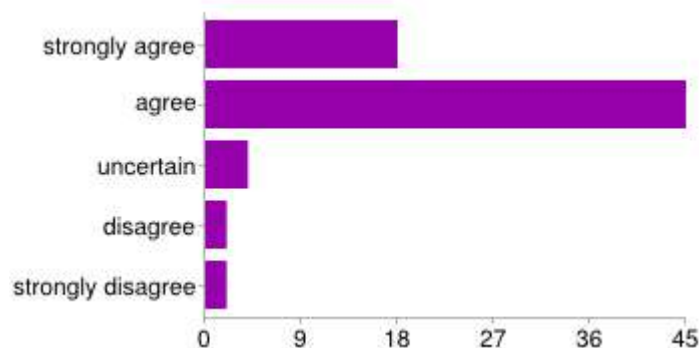
strongly agree	50	70%
agree	21	30%
uncertain	0	0%
disagree	0	0%
strongly disagree	0	0%

5. a. Adequate training has been provided to employees involved in the procurement processes for detection of fraud.



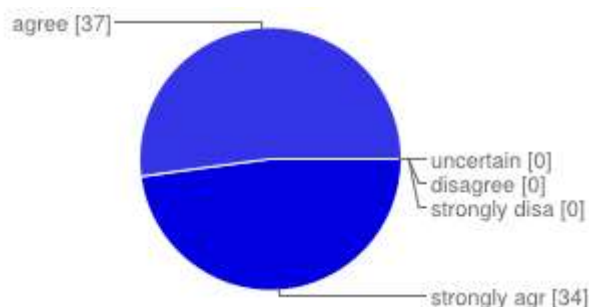
strongly agree	10	14%
agree	37	52%
uncertain	14	20%
disagree	8	11%
strongly disagree	2	3%

5. b. Adequate training has been provided to employees involved in the procurement processes to appropriately conduct the procurement processes of my agency.



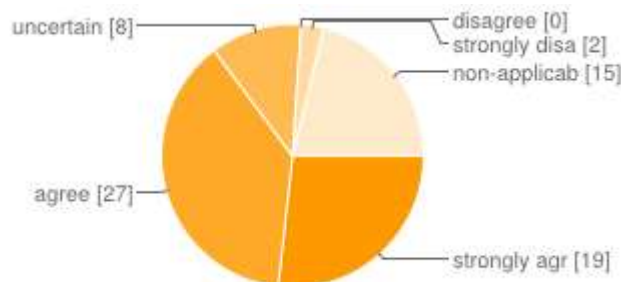
strongly agree	18	25%
agree	45	63%
uncertain	4	6%
disagree	2	3%
strongly disagree	2	3%

6. My agency has adequate controls in place that would reasonably prevent the occurrence of fraud.



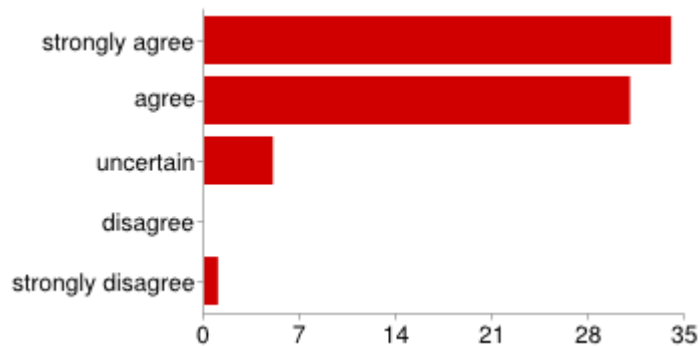
strongly agree	34	48%
agree	37	52%
uncertain	0	0%
disagree	0	0%
strongly disagree	0	0%

7. The SCEIS "roles/separation of duties" feature in the procurement process is beneficial to my agency in managing the risk of fraud and/or corruption.



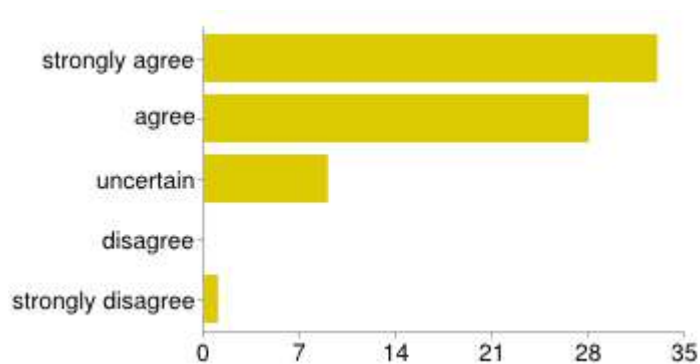
strongly agree	19	27%
agree	27	38%
uncertain	8	11%
disagree	2	3%
strongly disagree	15	21%

8. a. Suspected fraud or corruption is appropriately addressed by agency management.



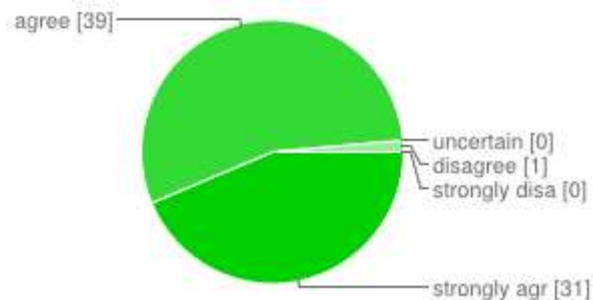
strongly agree	34	48%
agree	31	44%
uncertain	5	7%
disagree	0	0%
strongly disagree	1	1%

8. b. Suspected fraud or corruption is appropriately referred to law enforcement by agency management.



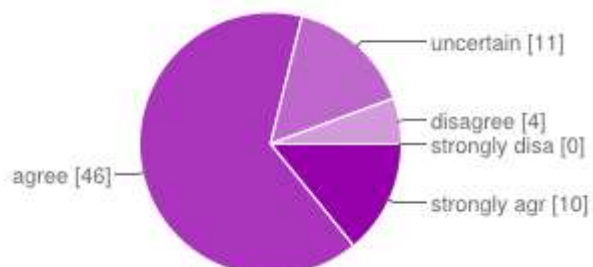
strongly agree	33	46%
agree	28	39%
uncertain	9	13%
disagree	0	0%
strongly disagree	1	1%

9. My agency relies on the Division of Procurement Services for guidance on procurement issues and/or assistance in processing procurement contracts.



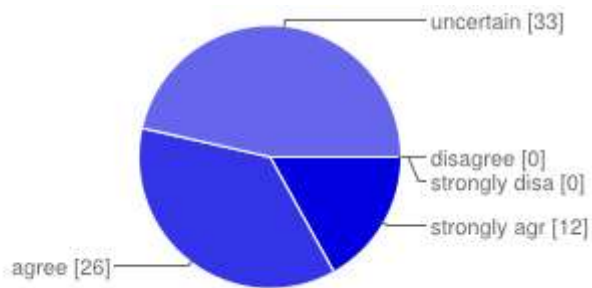
strongly agree	31	44%
agree	39	55%
uncertain	0	0%
disagree	1	1%
strongly disagree	0	0%

10. My agency's employees, who are not assigned to the procurement office, adequately monitor contracts where the service or product deliverables occur over a period of time.



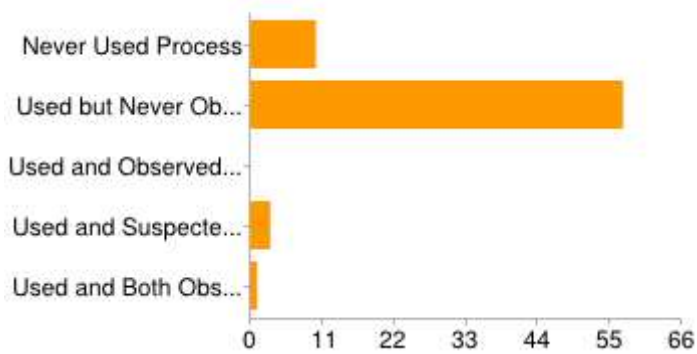
strongly agree	10	14%
agree	46	65%
uncertain	11	15%
disagree	4	6%
strongly disagree	0	0%

11. Legislative provisos providing guidance to Executive Branch grants and contracts promote fair and open competition.



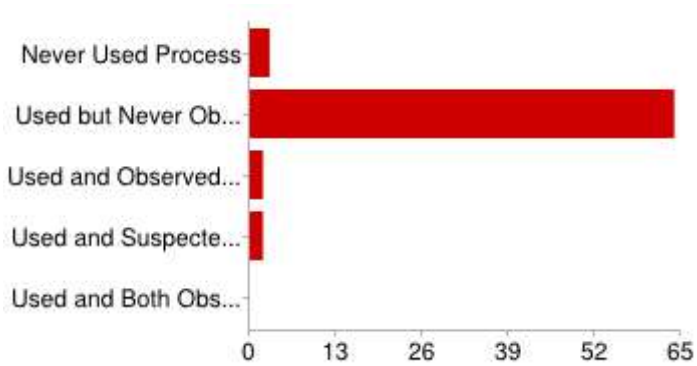
strongly agree	12	17%
agree	26	37%
uncertain	33	46%
disagree	0	0%
strongly disagree	0	0%

1. < \$2,500 (reasonable) \$10,000/Higher Education agencies [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



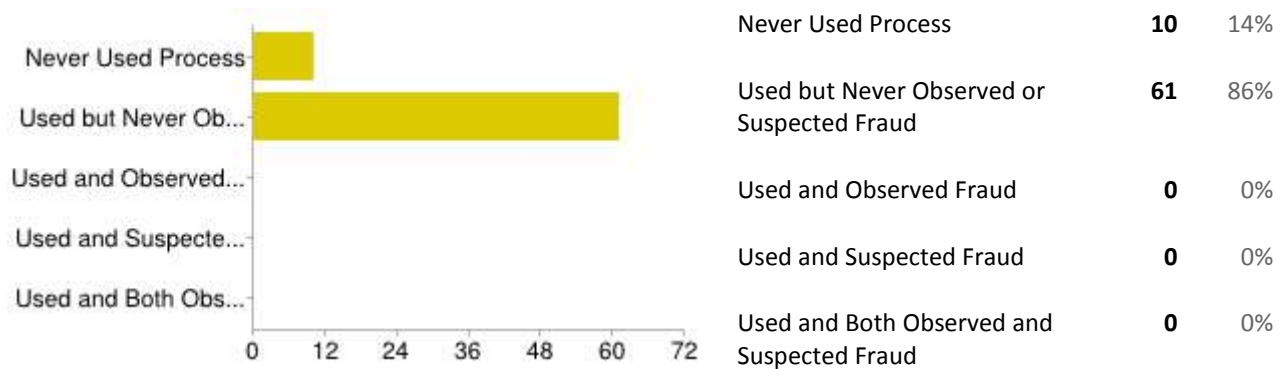
Never Used Process	10	14%
Used but Never Observed or Suspected Fraud	57	80%
Used and Observed Fraud	0	0%
Used and Suspected Fraud	3	4%
Used and Both Observed and Suspected Fraud	1	1%

2. > \$2,500 but < \$10,000 (3 bids) [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]

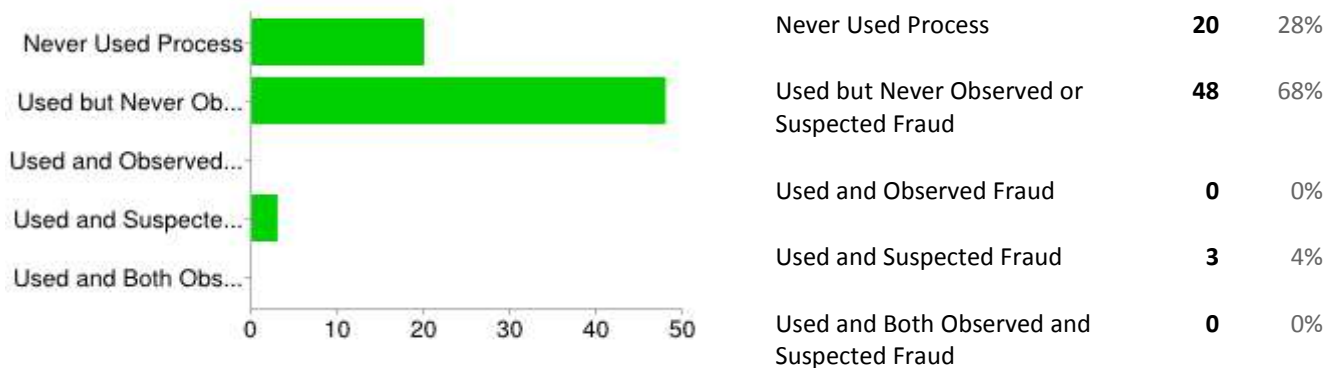


Never Used Process	3	4%
Used but Never Observed or Suspected Fraud	64	90%
Used and Observed Fraud	2	3%
Used and Suspected Fraud	2	3%
Used and Both Observed and Suspected Fraud	0	0%

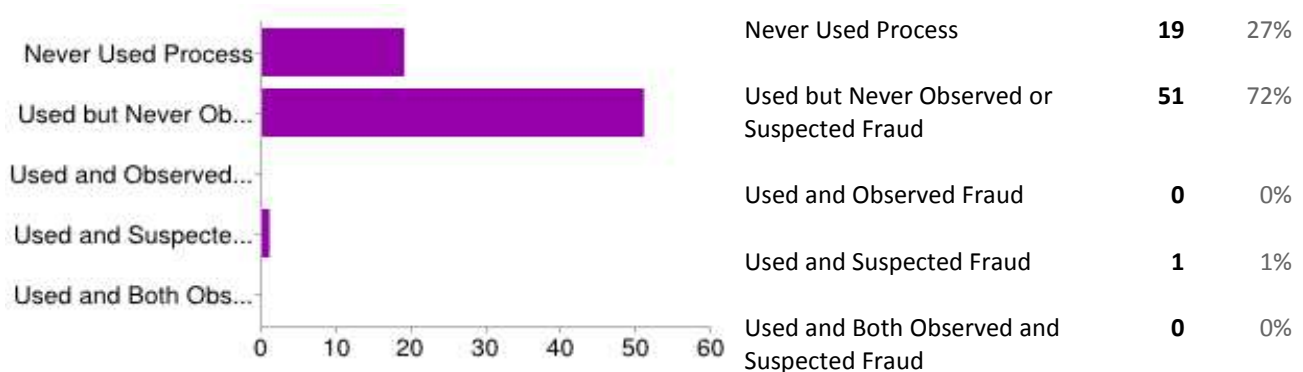
3. > \$10,000 but < \$50,000 (RFP & advertise) [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



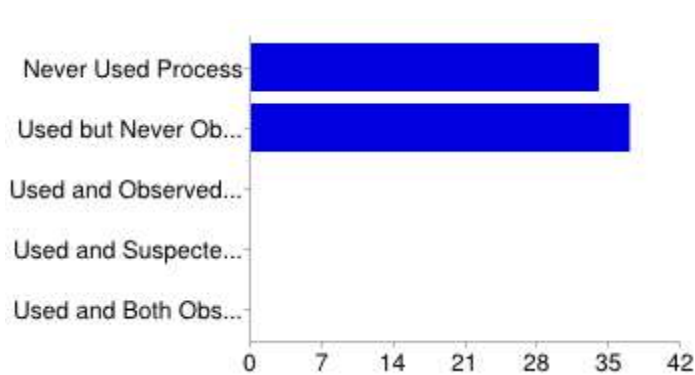
4. RFP Sealed Proposals [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



5. Sealed bidding [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]

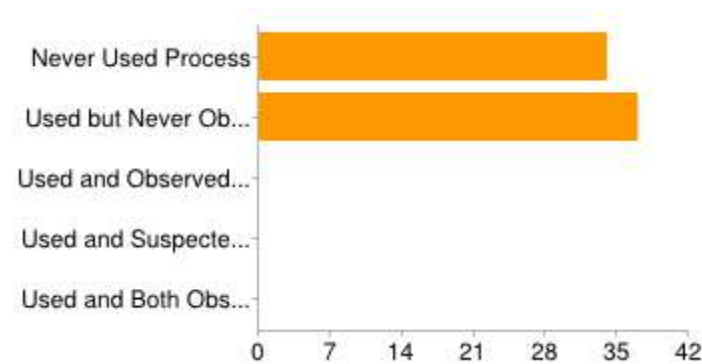


6. Fixed Price bidding [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



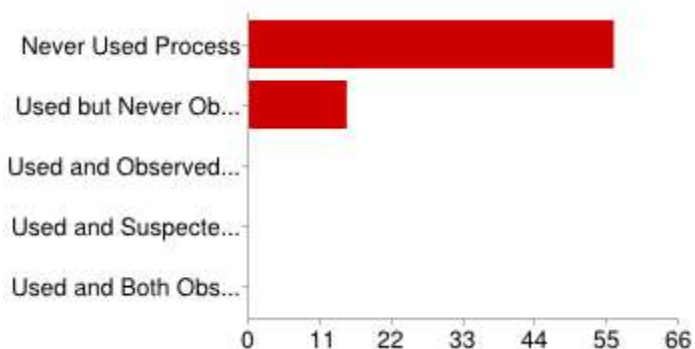
Never Used Process	34	48%
Used but Never Observed or Suspected Fraud	37	52%
Used and Observed Fraud	0	0%
Used and Suspected Fraud	0	0%
Used and Both Observed and Suspected Fraud	0	0%

7. Best value bidding [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



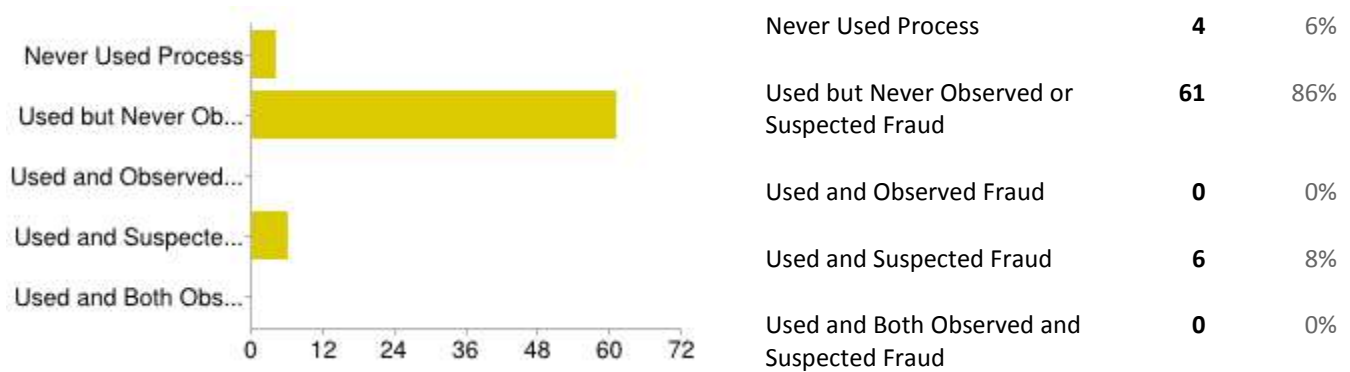
Never Used Process	34	48%
Used but Never Observed or Suspected Fraud	37	52%
Used and Observed Fraud	0	0%
Used and Suspected Fraud	0	0%
Used and Both Observed and Suspected Fraud	0	0%

8. On-line bidding/Reverse Auction [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]

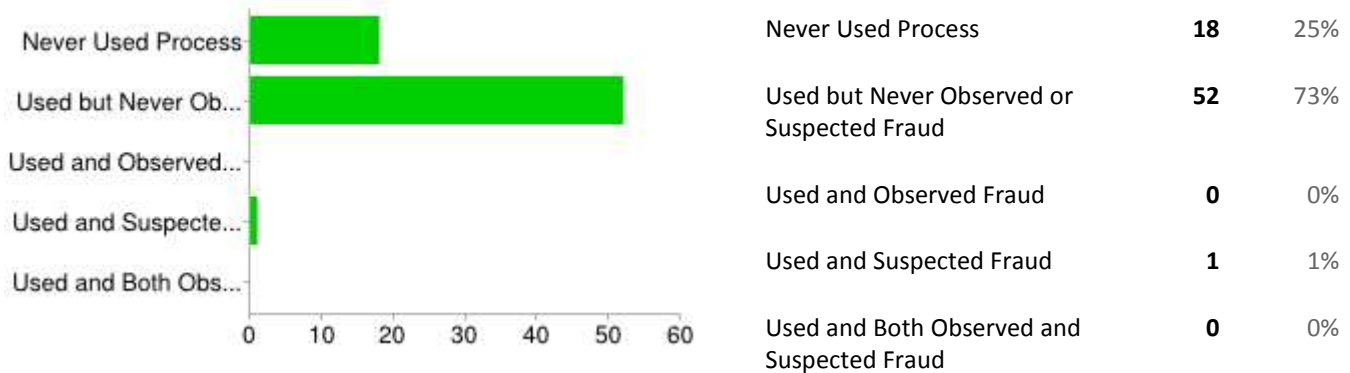


Never Used Process	56	79%
Used but Never Observed or Suspected Fraud	15	21%
Used and Observed Fraud	0	0%
Used and Suspected Fraud	0	0%
Used and Both Observed and Suspected Fraud	0	0%

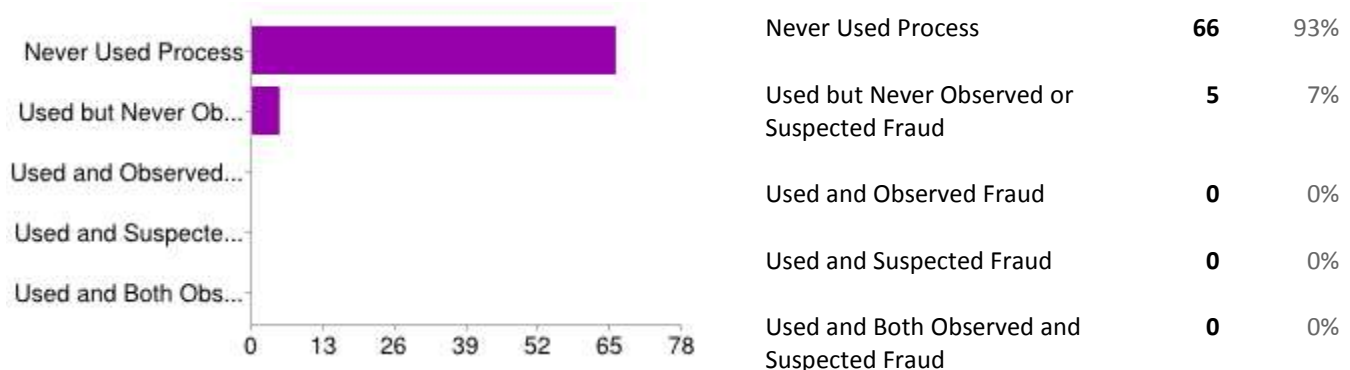
9. Sole Source procurement [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



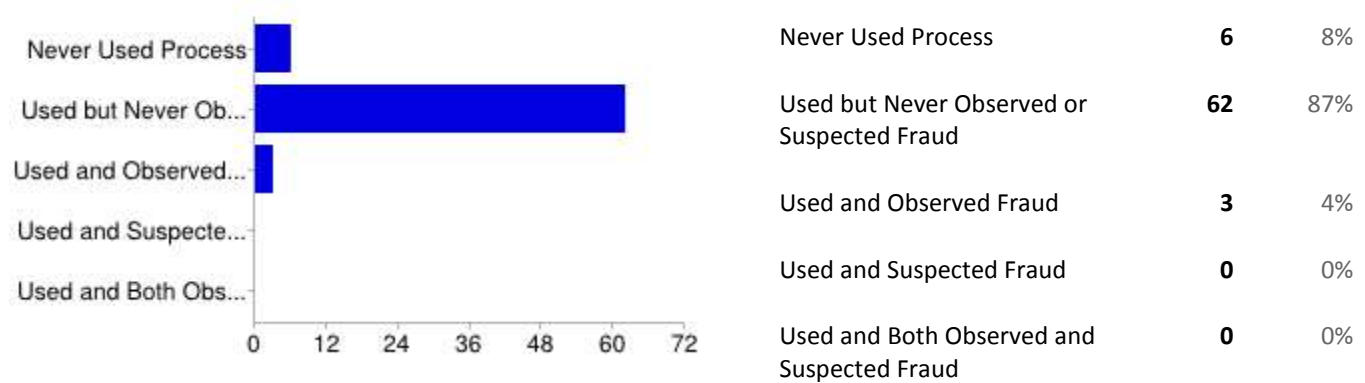
10. Emergency procurement [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



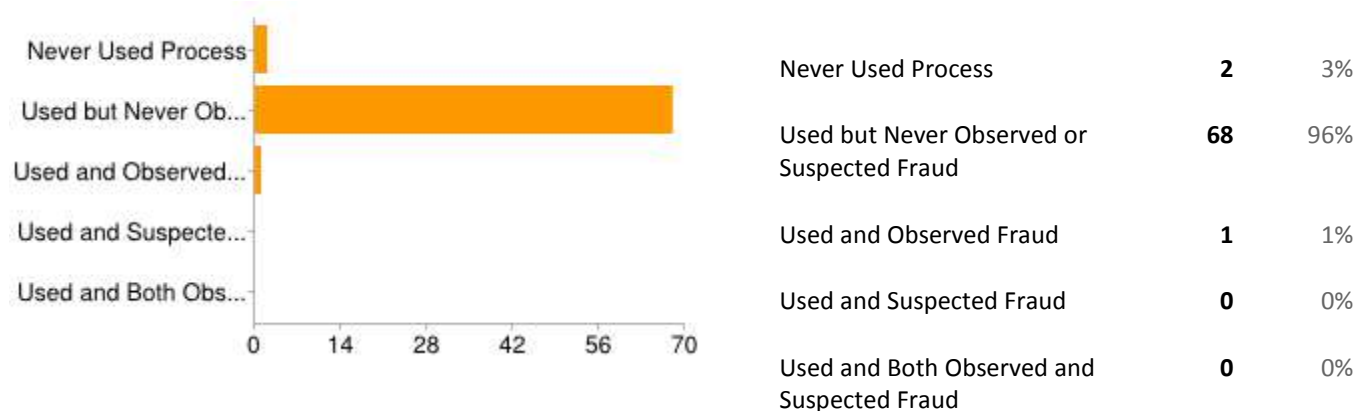
11. Participation in an auction or bankruptcy sale [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



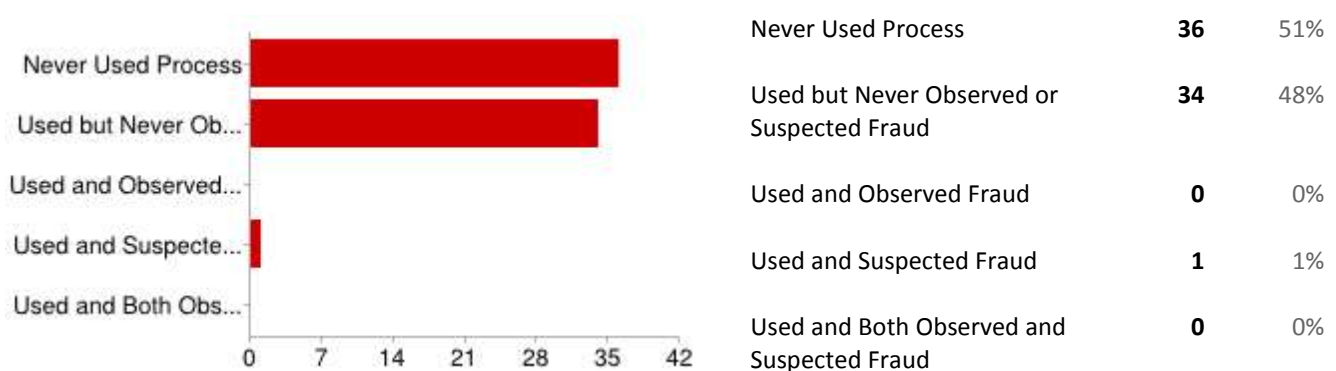
12. Information Technology [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



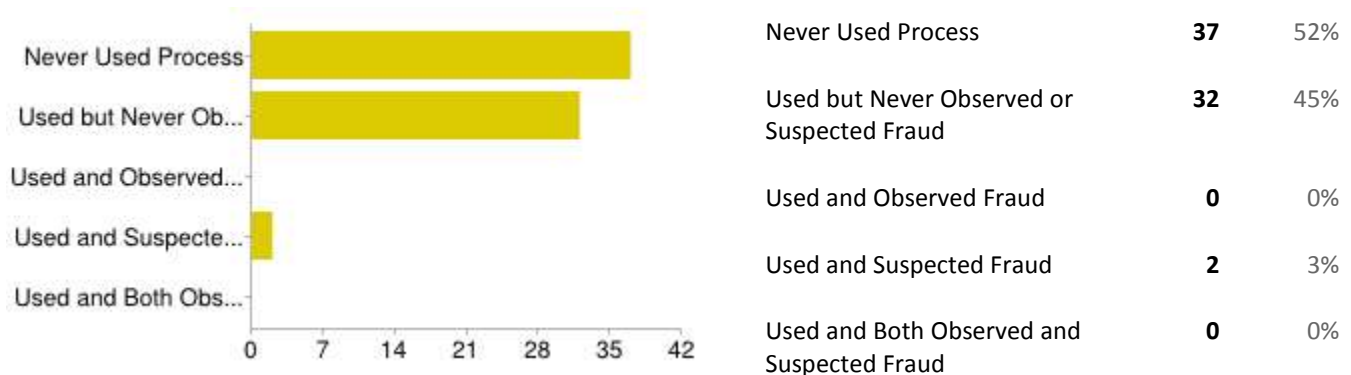
13. Statewide Term Contracts [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



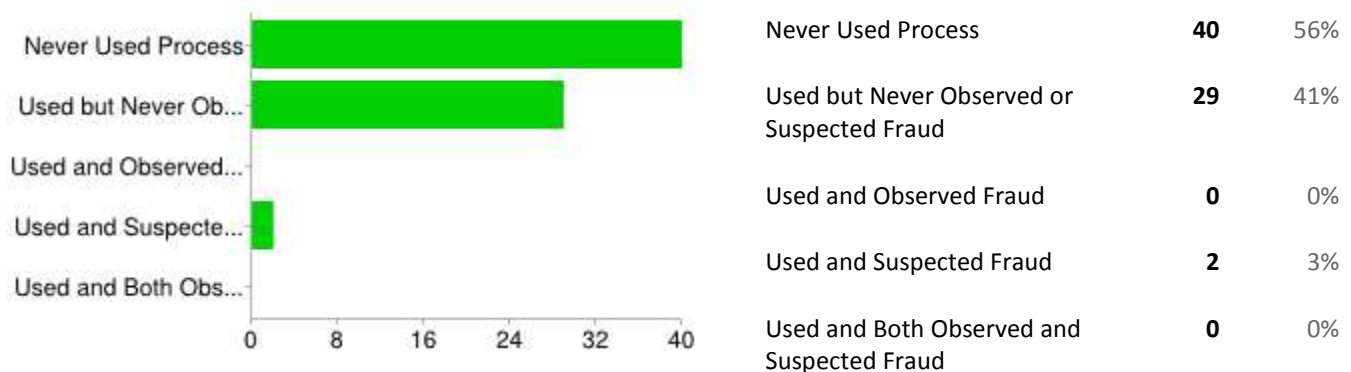
14. Construction Based - architect, engineer & land surveying [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



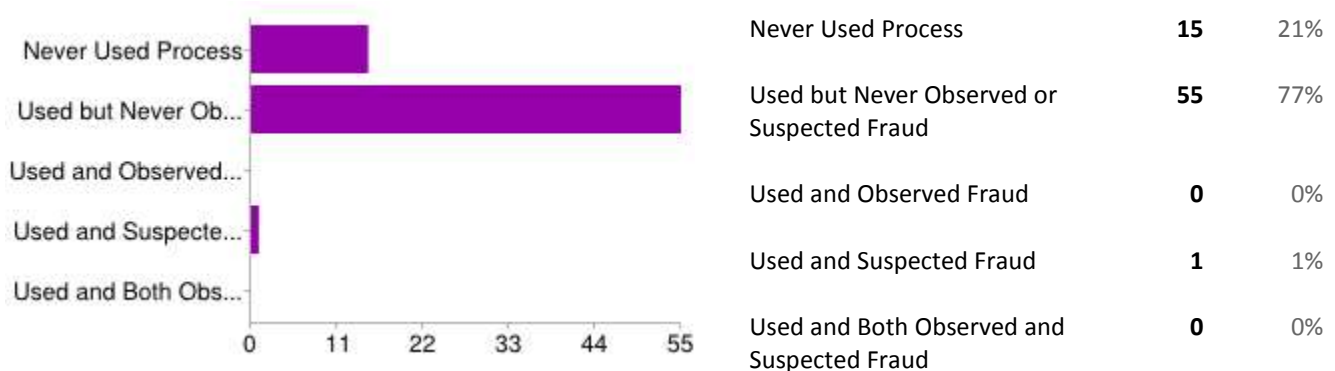
15. Exception: small architect, engineer & land surveying < \$25,000 [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



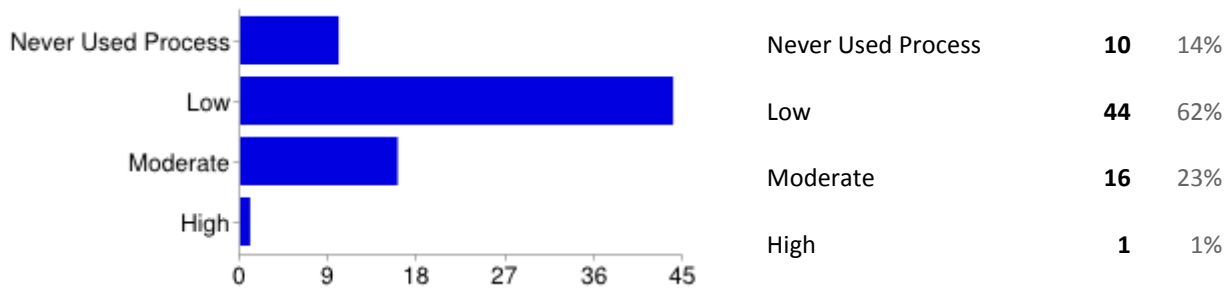
16. Indefinite Delivery Contracts [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



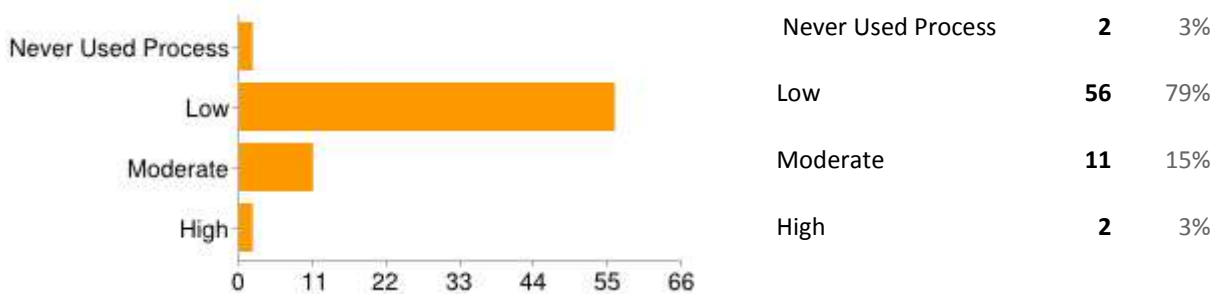
17. Exempt services & commodities [12. Please indicate which of the State's 17 procurement processes/source selection methods you have used, and whether you have observed or suspected fraud or corruption during the past three years.]



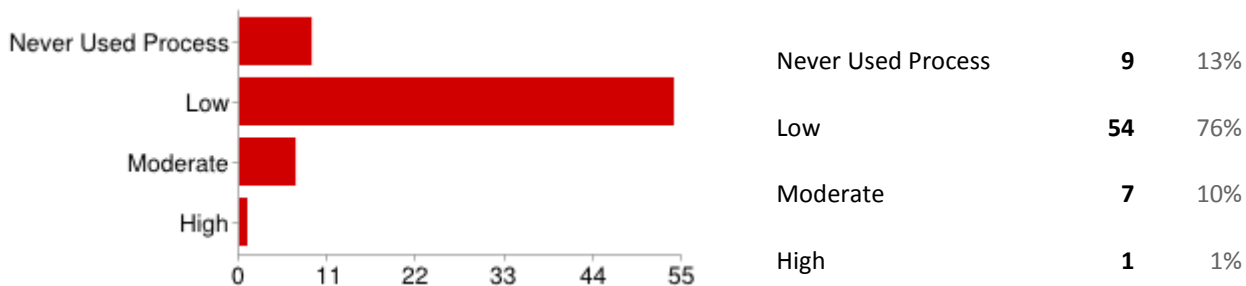
1. < \$2,500 (reasonable) \$10,000/Higher Education agencies [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



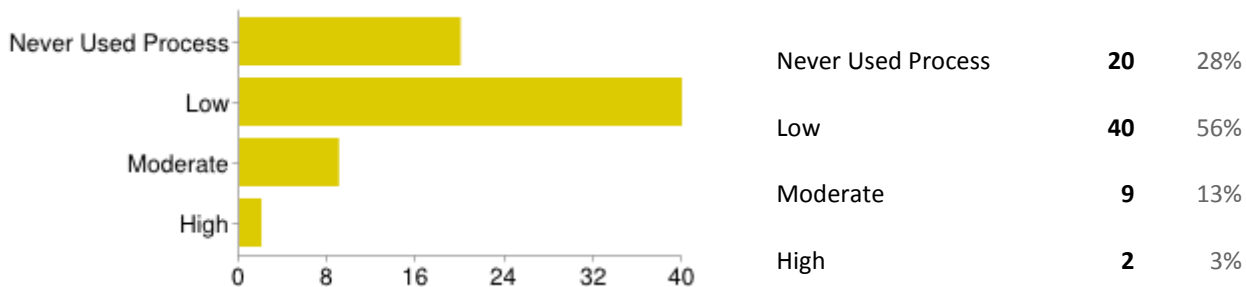
2. > \$2,500 but < \$10,000 (3 bids) agencies [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



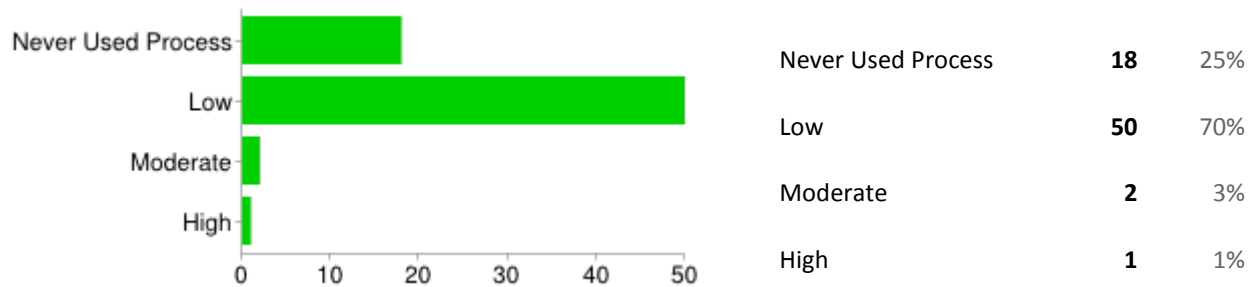
3. > \$10,000 but < \$50,000 (RFQ & advertise) [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



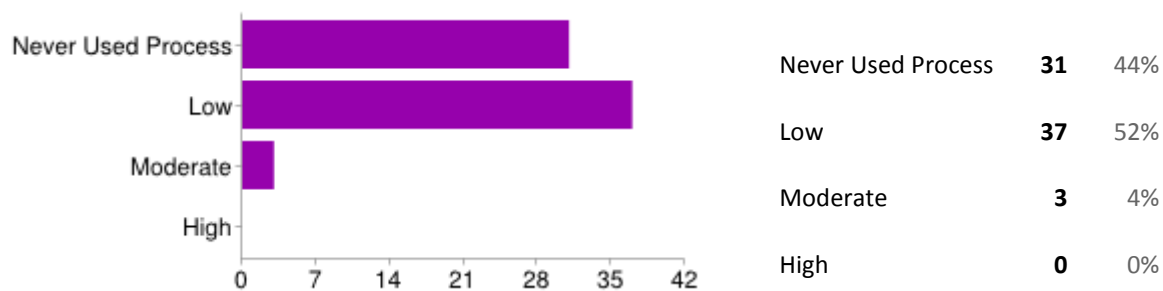
4. RFP Sealed Proposals agencies [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



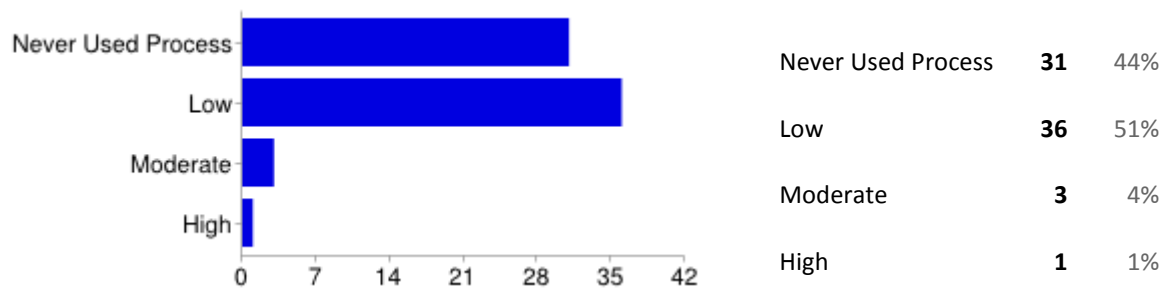
5. Sealed bidding agencies [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



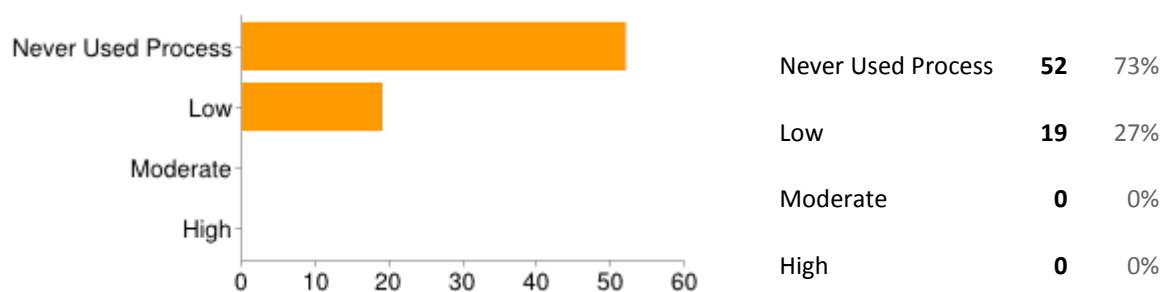
6. Fixed Price bidding [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



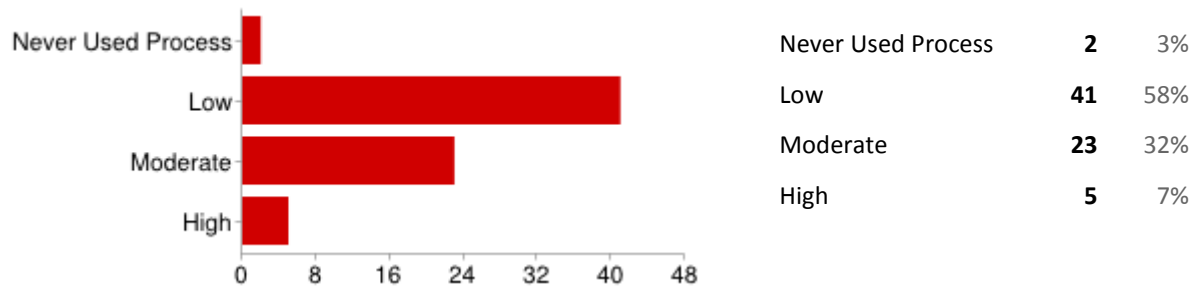
7. Best value bidding [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



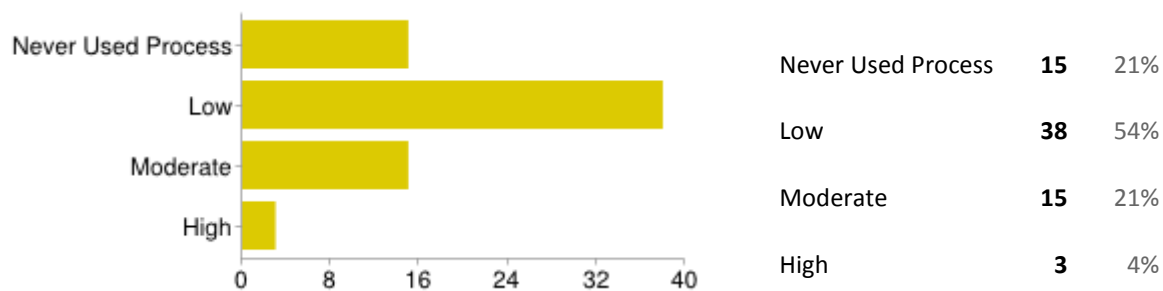
8. On-line bidding/Reverse Auction agencies [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



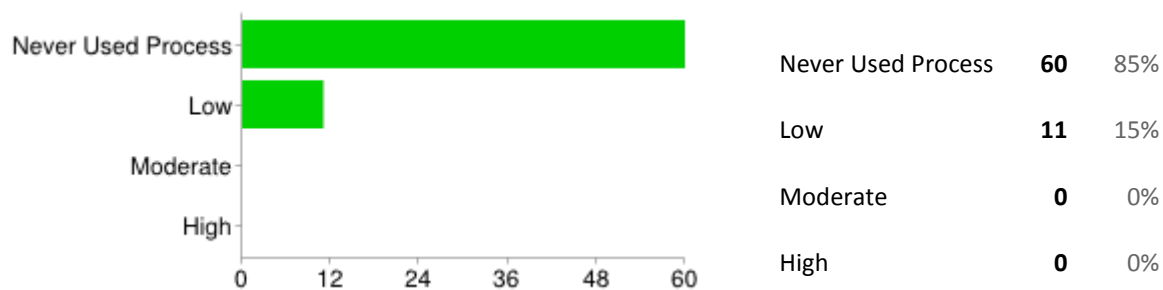
9. Sole Source procurement [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



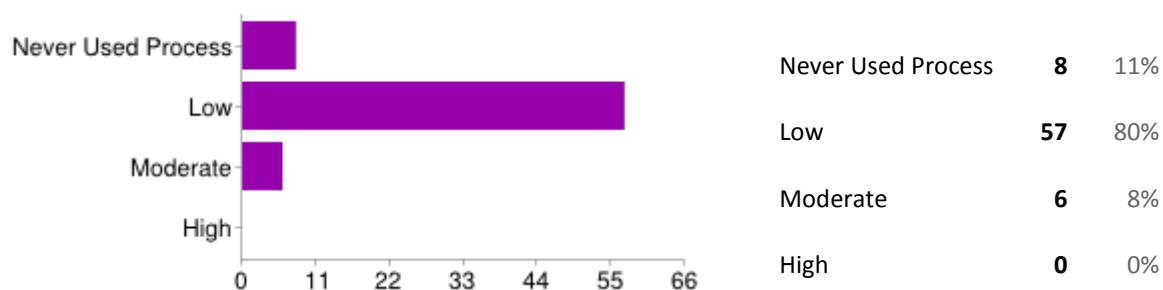
10. Emergency procurement agencies [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



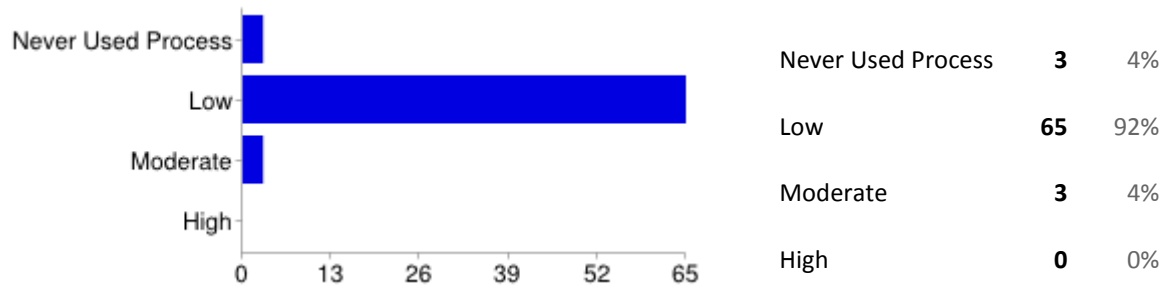
11. Participation in an auction or bankruptcy sale [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



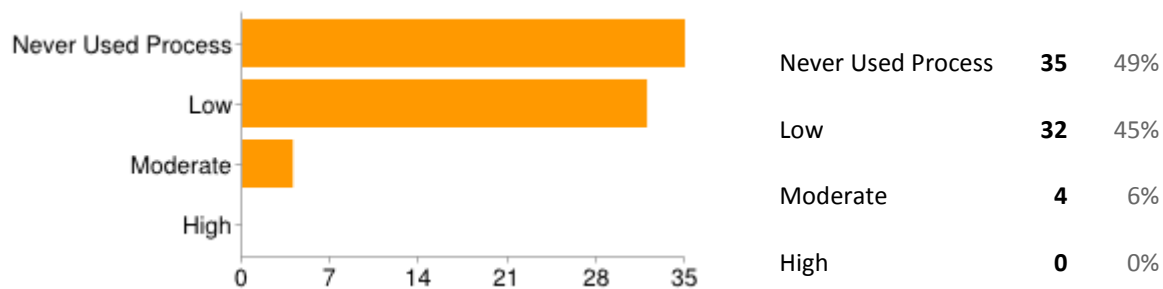
12. Information Technology [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



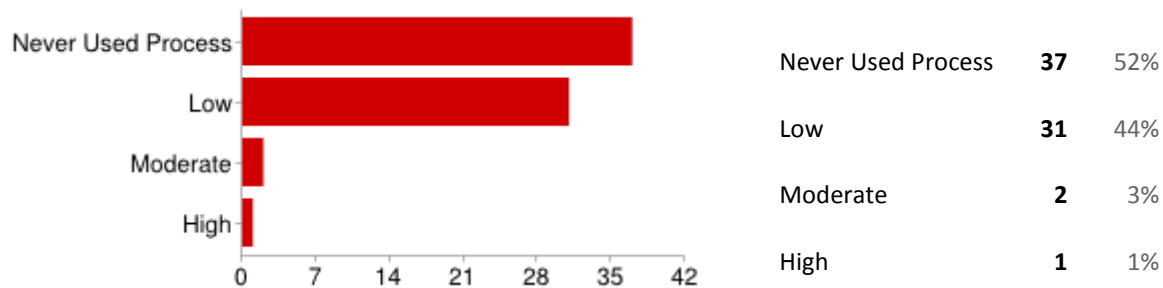
13. Statewide Term Contracts agencies [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



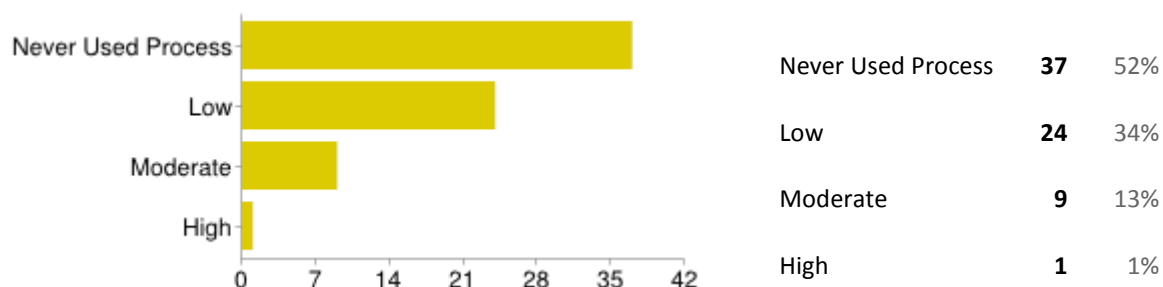
14. Construction Based [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



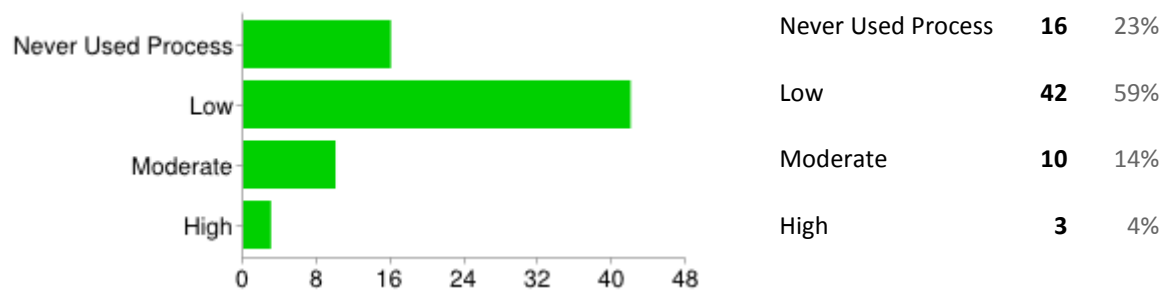
15. Exception: small architect, engineer & land surveying < \$25,000 [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]



16. Indefinite Delivery Contracts [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]

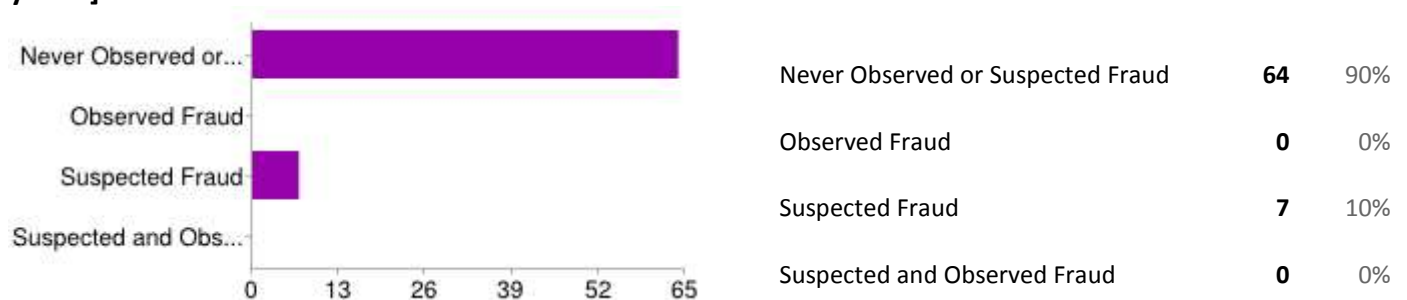


17. Exempt services & commodities [13. Please rate the risk (likelihood & impact) of fraud for each procurement process.]

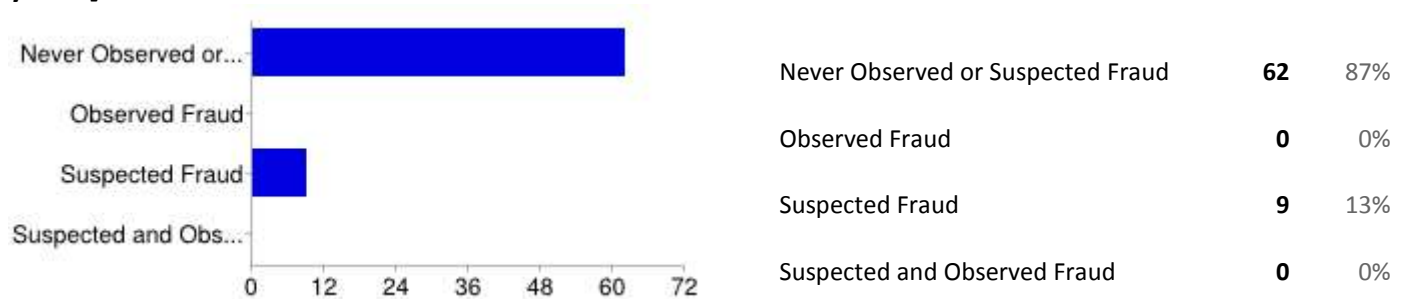


This risk assessment looks at the risk of fraud and corruption in the following five categories:

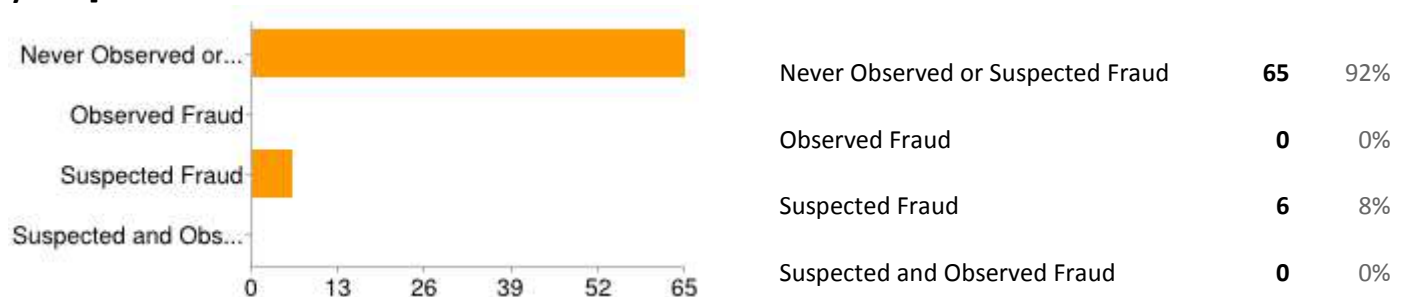
Collusion among vendors [14 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



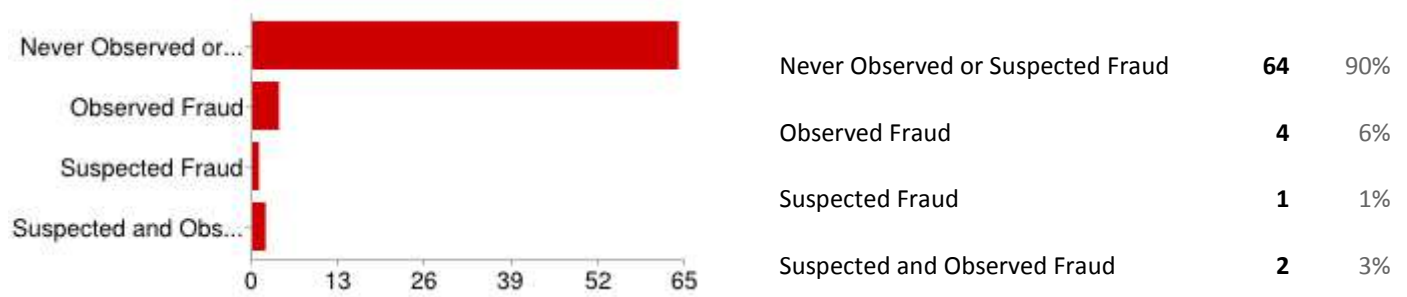
Collusion vendor/employee [14 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



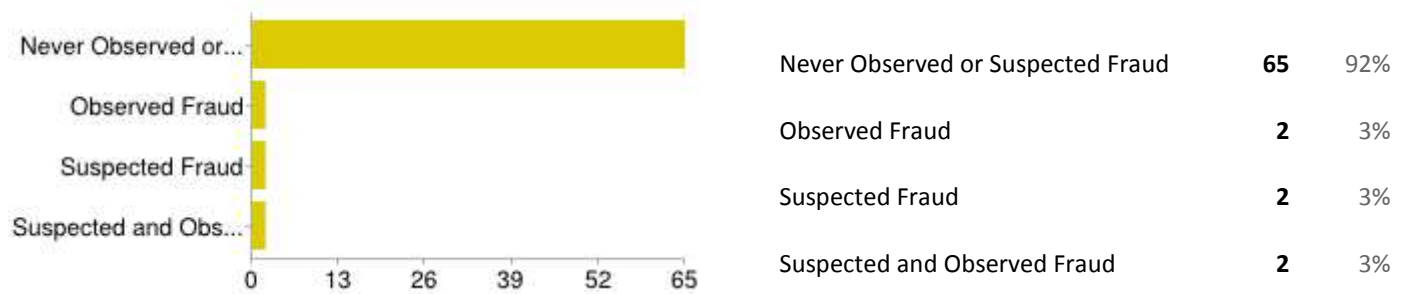
Relationship corruption [14 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



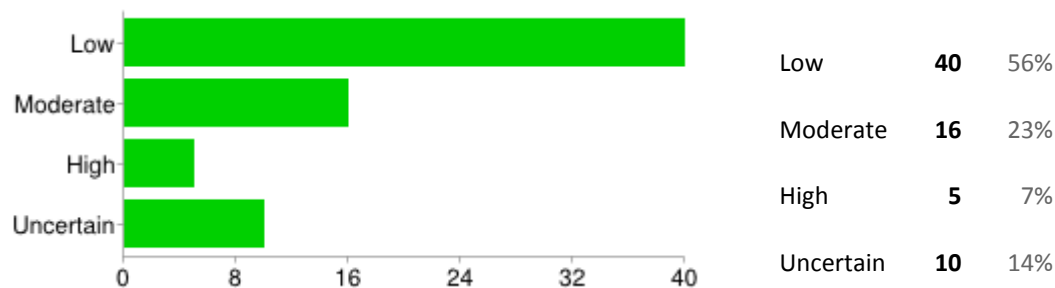
Employee only fraud [14 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



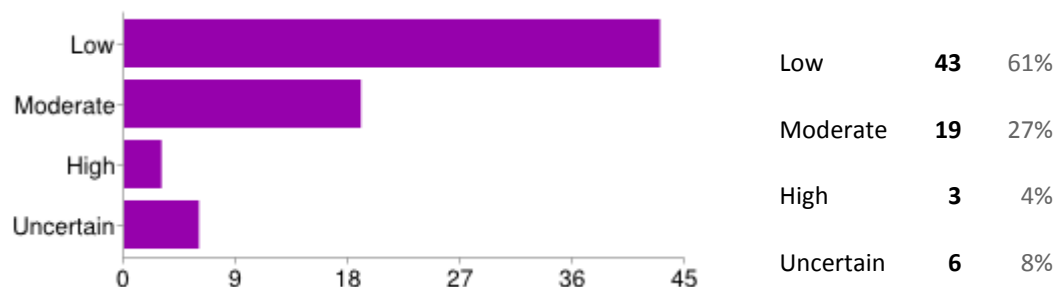
Vendor only fraud [14 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



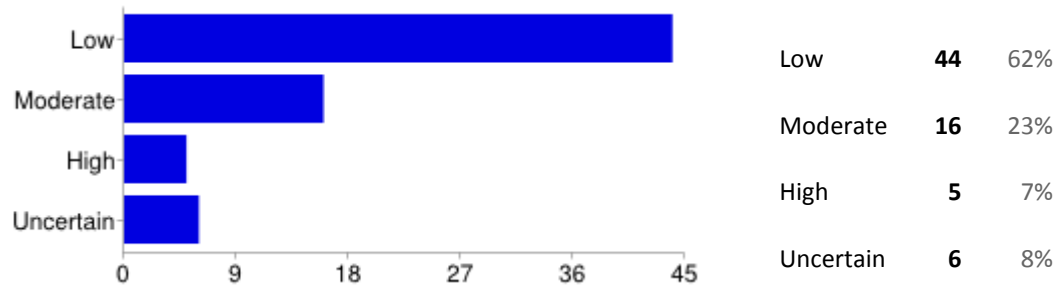
Collusion among vendors [14 b.) Please rate the risk (likelihood & impact) of fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



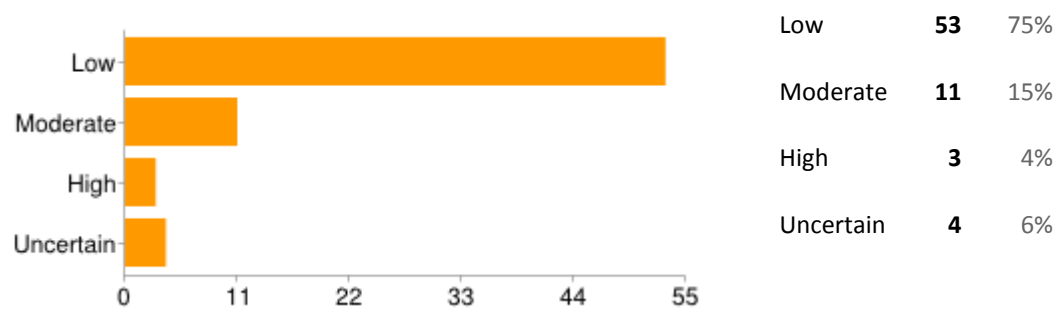
Collusion between vendor/employee [14 b.) Please rate the risk (likelihood & impact) of fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



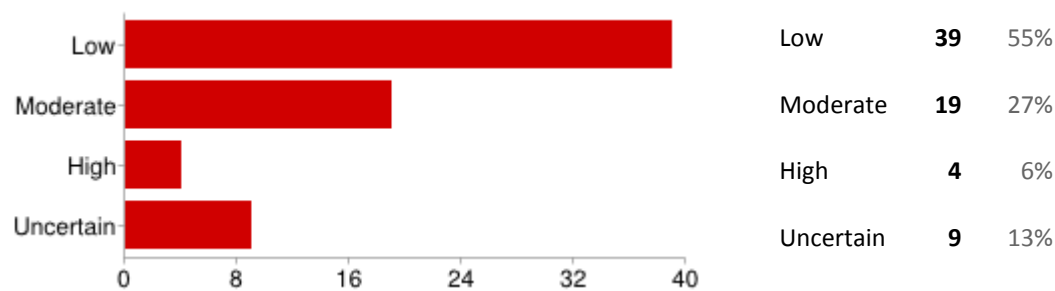
Relationship corruption [14 b.) Please rate the risk (likelihood & impact) of fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



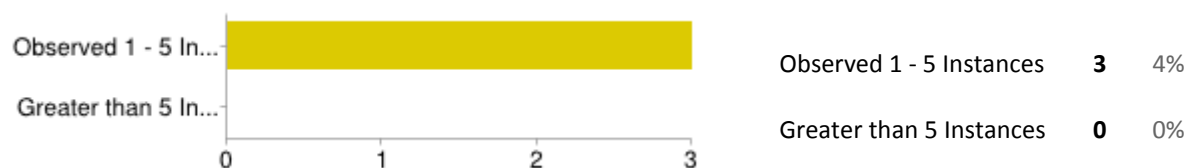
Employee only fraud [14 b.) Please rate the risk (likelihood & impact) of fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



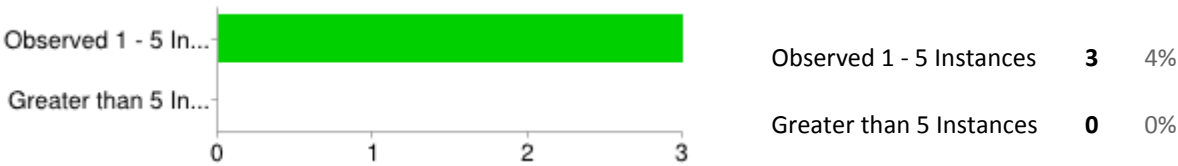
Vendor only fraud [14 b.) Please rate the risk (likelihood & impact) of fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



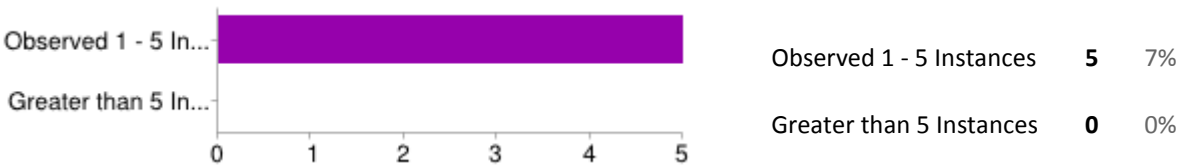
Collusion among vendors [14 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



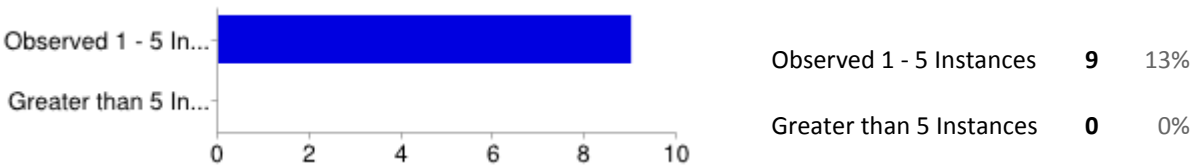
Collusion between vendor/employee [14 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



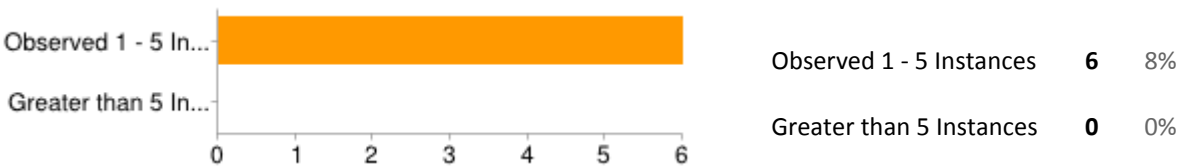
Relationship corruption [14 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



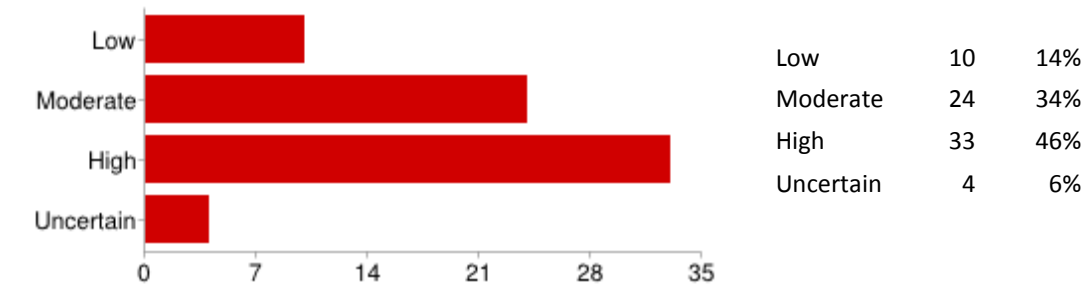
Employee only fraud [14 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



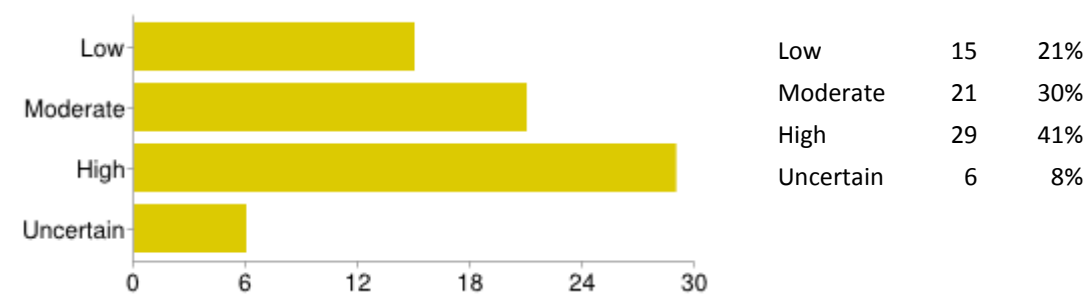
Vendor only fraud [14 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



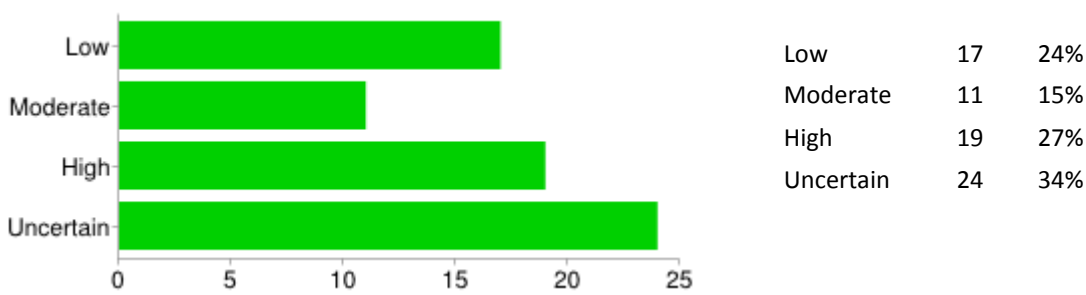
Provide fraud awareness training [15. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



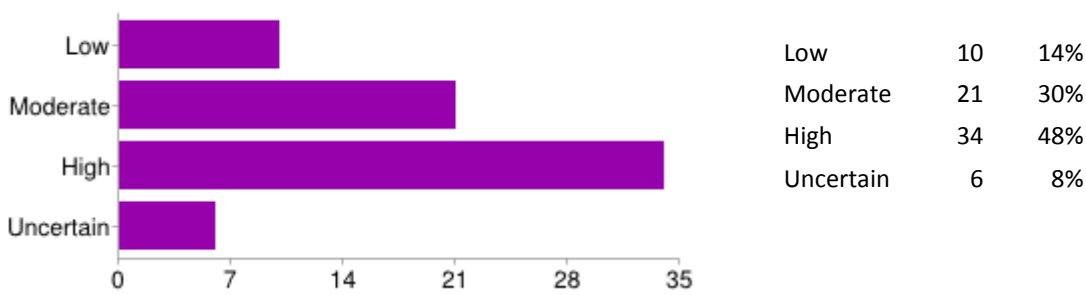
Clarify and heighten ethics standards [15. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



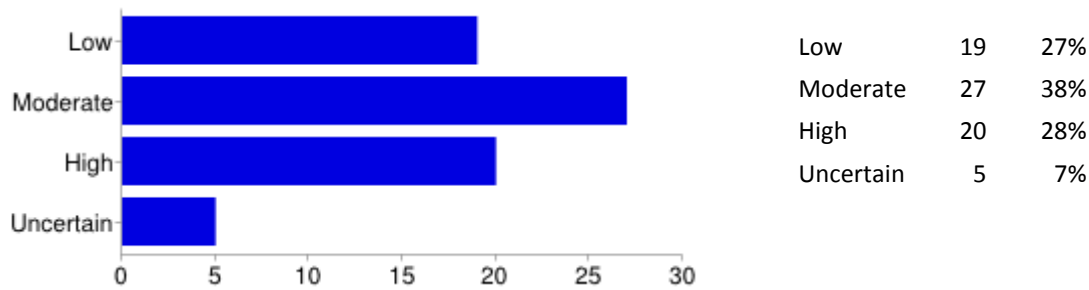
Clarify and elevate SCEIS' audit capabilities [15. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



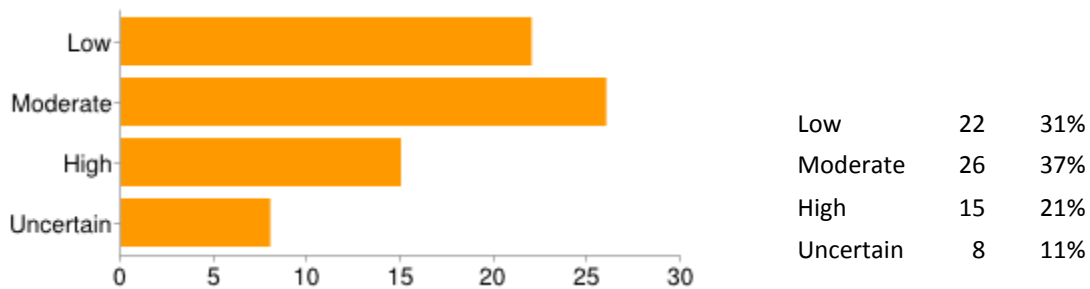
Formalize a statewide procurement procedures manual [15. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



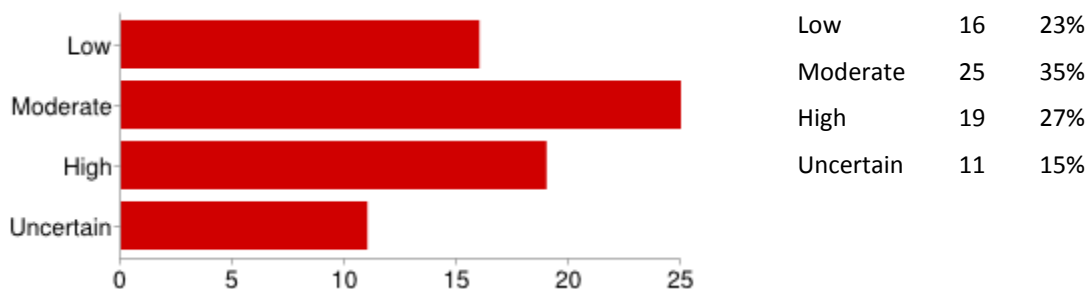
Enhance internal controls of procurement processes [15. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



Initiate an annual risk assessment to capture data on the status of occurrences of fraud and corruption in state agencies [15. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]

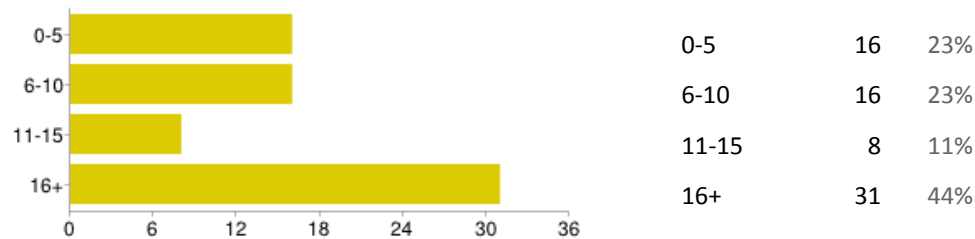


Establish a Procurement Fraud Hotline [15. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]

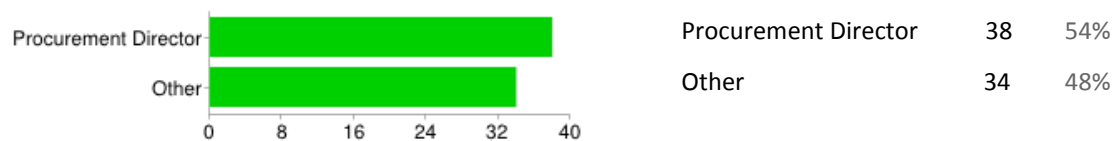


Background Information

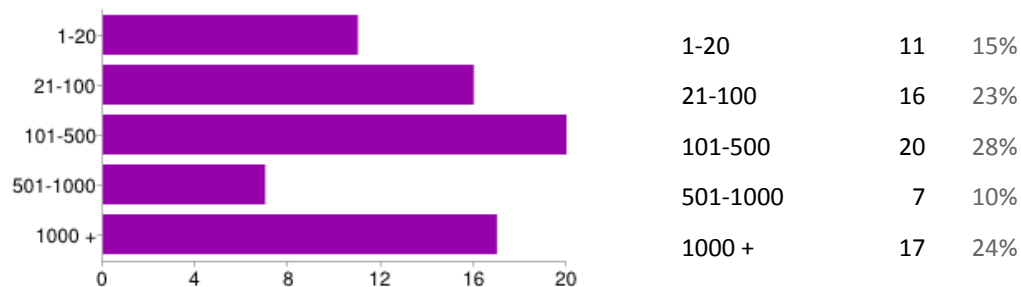
A. Total years of your procurement experience:



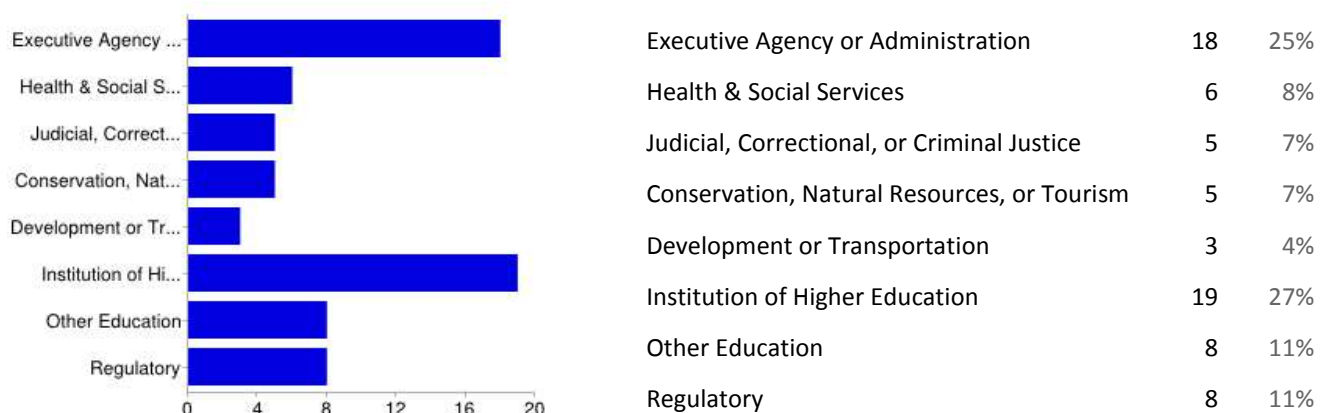
B. What is your status classification?



C. Number of employees (FTEs) in your agency:



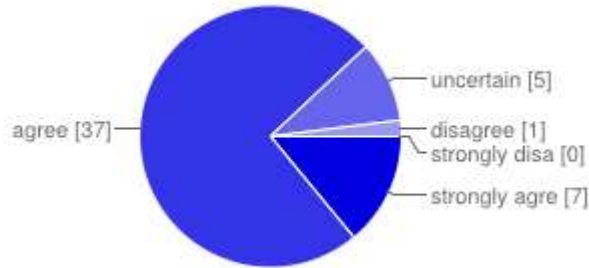
D. Please select the category below that best fits the general function of your agency:



Appendix B

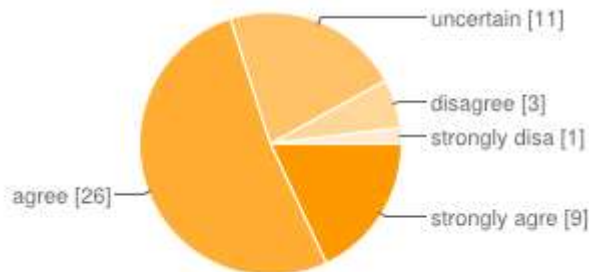
Internal Auditors' Survey Results

1. The State's procurement processes, defined by rules of the SC Procurement Code, are designed to prevent fraud, collusion, or unjust favoritism in the award of public contracts.



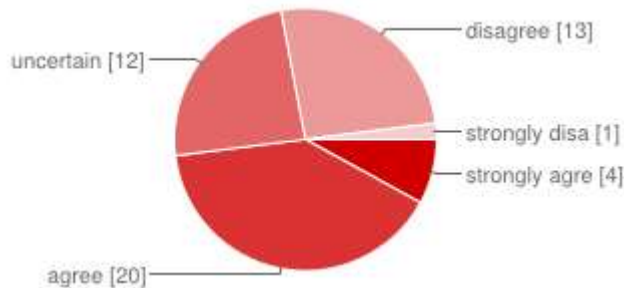
strongly agree	7	14%
agree	37	74%
uncertain	5	10%
disagree	1	2%
strongly disagree	0	0%

2. My agency operates within the State procurement guidelines with fairness.



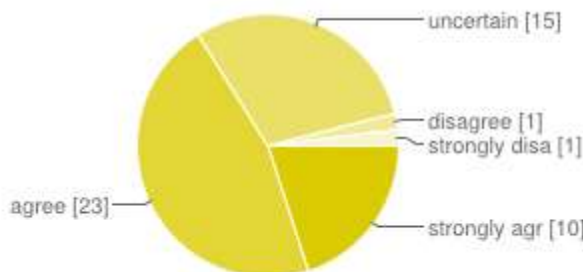
strongly agree	9	18%
agree	26	52%
uncertain	11	22%
disagree	3	6%
strongly disagree	1	2%

3. The State's procurement processes are easily understood.



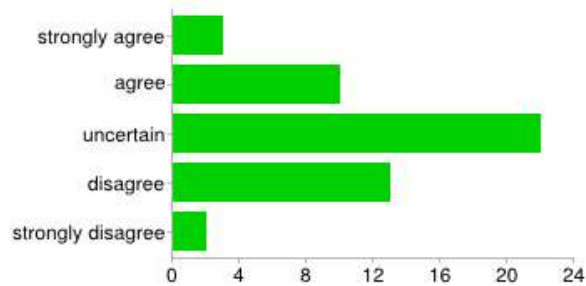
strongly agree	4	8%
agree	20	40%
uncertain	12	24%
disagree	13	26%
strongly disagree	1	2%

4. The employees charged with the responsibility to conduct the procurement processes operate with integrity.



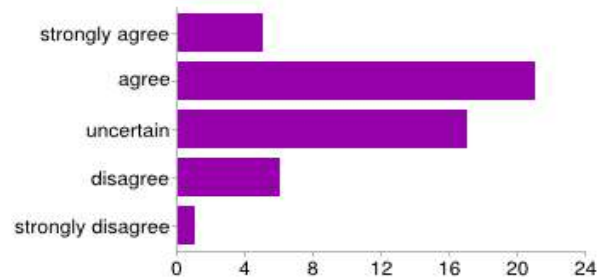
strongly agree	10	20%
agree	23	46%
uncertain	15	30%
disagree	1	2%
strongly disagree	1	2%

5. a. Adequate training has been provided to employees involved in the procurement processes for detection of fraud.



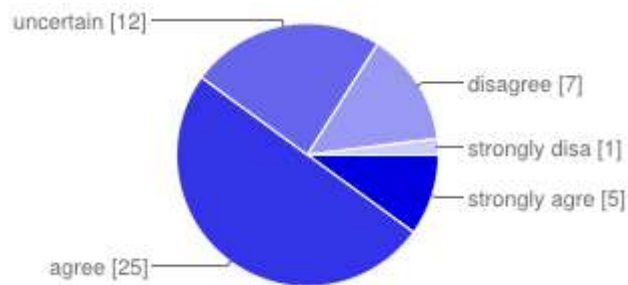
strongly agree	3	6%
Agree	10	20%
uncertain	22	44%
disagree	13	26%
strongly disagree	2	4%

5. b. Adequate training has been provided to employees to appropriately conduct the procurement for the agency.



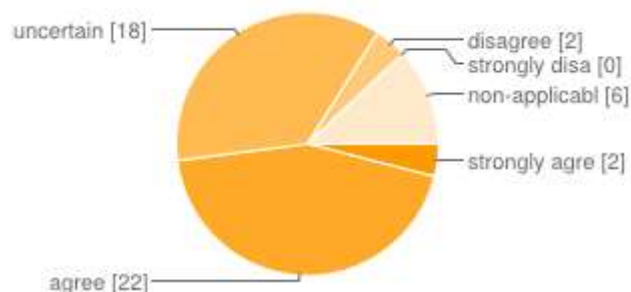
strongly agree	5	10%
agree	21	42%
uncertain	17	34%
disagree	6	12%
strongly disagree	1	2%

6. My agency has adequate controls in place that would reasonably prevent the occurrence of fraud.



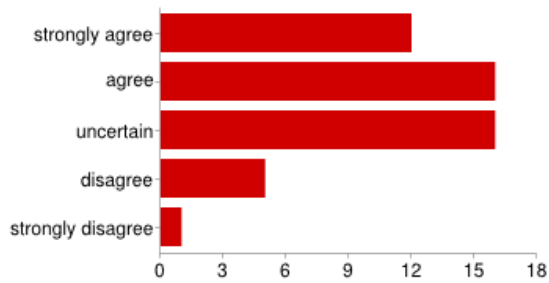
strongly agree	5	10%
Agree	25	50%
uncertain	12	24%
Disagree	7	14%
strongly disagree	1	2%

7. The SCEIS "roles/separation of duties" feature in the procurement process is beneficial to my agency in managing the risk of fraud and/or corruption.



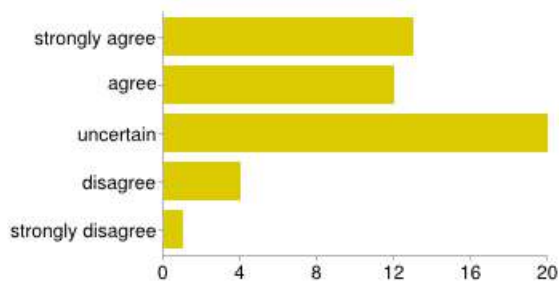
strongly agree	2	4%
Agree	22	44%
uncertain	18	36%
Disagree	2	4%
strongly disagree	0	0%
non-applicable	6	12%

8. a. Suspected fraud or corruption is appropriately addressed by agency management.



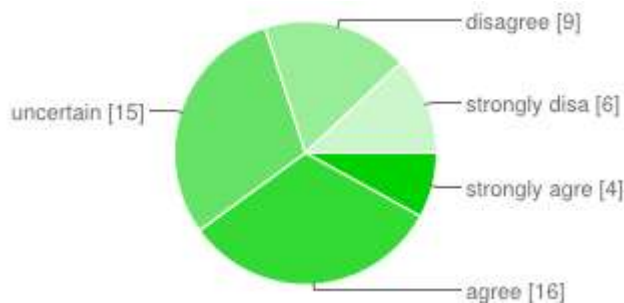
strongly agree	12	24%
agree	16	32%
uncertain	16	32%
disagree	5	10%
strongly disagree	1	2%

8. b. Suspected fraud or corruption is appropriately referred to law enforcement by agency management.



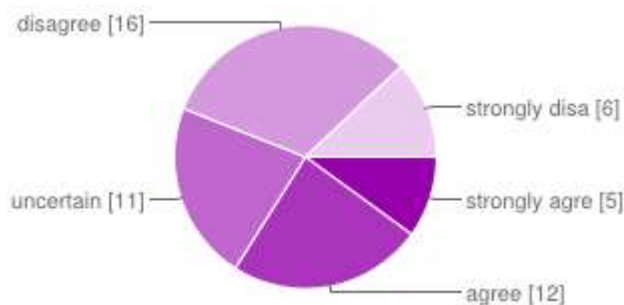
strongly agree	13	26%
agree	12	24%
uncertain	20	40%
disagree	4	8%
strongly disagree	1	2%

9. My agency adequately audits its procurement processes to provide reasonable assurance of detecting fraud.



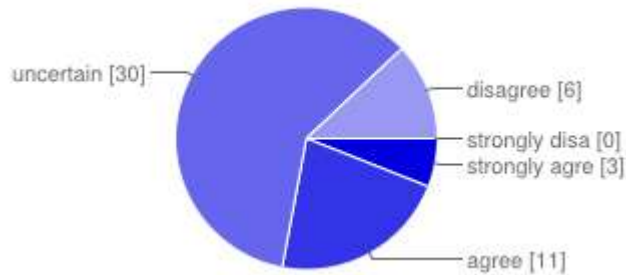
strongly agree	4	8%
agree	16	32%
uncertain	15	30%
disagree	9	18%
strongly disagree	6	12%

10. My agency conducts formal risk assessments to identify and mitigate procurement fraud risk.



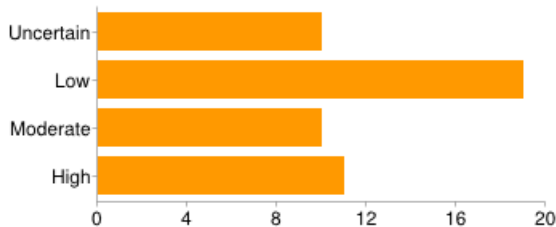
strongly agree	5	10%
agree	12	24%
uncertain	11	22%
disagree	16	32%
strongly disagree	6	12%

11. Legislative provisos providing guidance to Executive Branch grants and contracts promote fair and open competition.



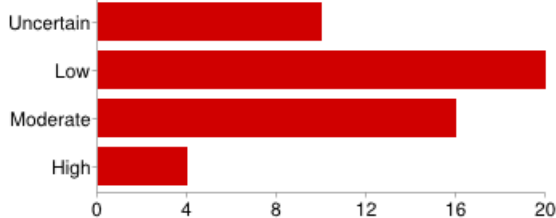
strongly agree	3	6%
agree	11	22%
uncertain	30	60%
disagree	6	12%
strongly disagree	0	0%

1. < \$2,500 (fair & reasonable) [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



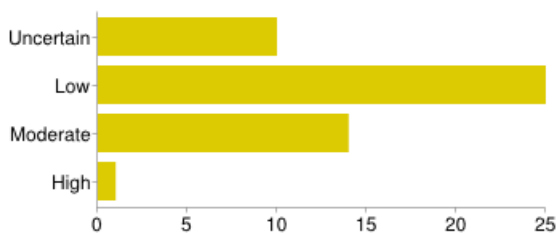
Uncertain	10	20%
Low	19	38%
Moderate	10	20%
High	11	22%

2. \$2,500 but < \$10,000 (3 bids) [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



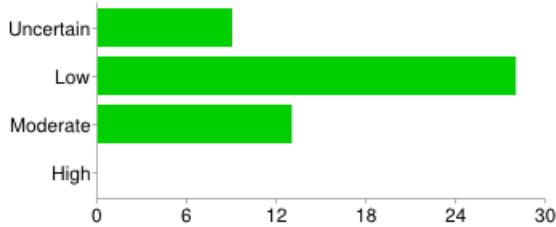
Uncertain	10	20%
Low	20	40%
Moderate	16	32%
High	4	8%

3. > \$10,000 but < \$50,000 (RFQ & advertise) [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



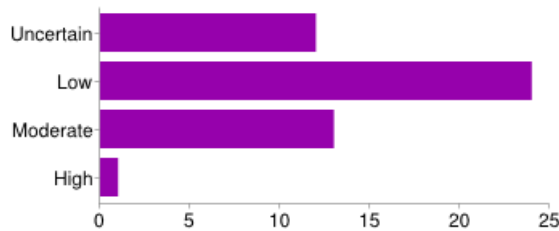
Uncertain	10	20%
Low	25	50%
Moderate	14	28%
High	1	2%

4. RFP Sealed Proposals [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



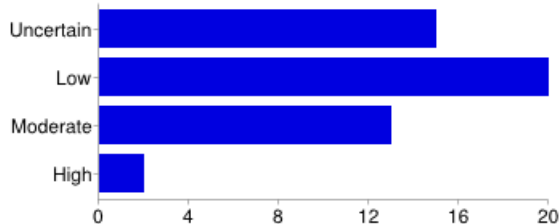
Uncertain	9	18%
Low	28	56%
Moderate	13	26%
High	0	0%

5. Sealed bidding [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



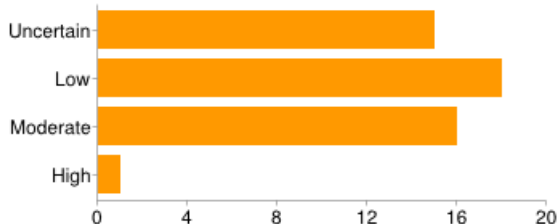
Uncertain	12	24%
Low	24	48%
Moderate	13	26%
High	1	2%

6. Fixed Price bidding [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



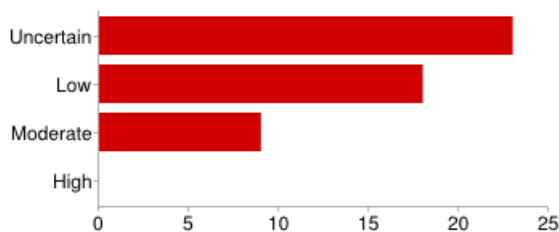
Uncertain	15	30%
Low	20	40%
Moderate	13	26%
High	2	4%

7. Best Value bidding [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



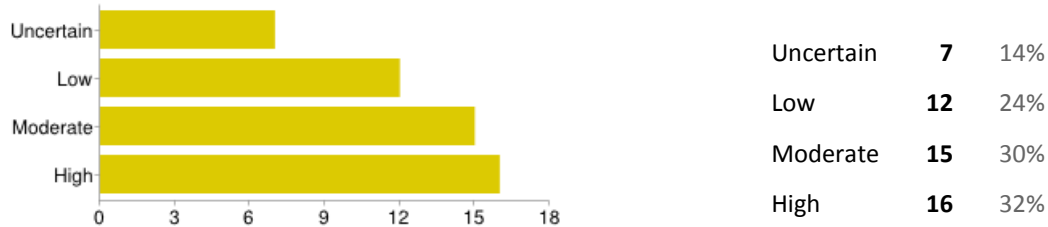
Uncertain	15	30%
Low	18	36%
Moderate	16	32%
High	1	2%

8. On-line bidding/Reverse Auction [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]

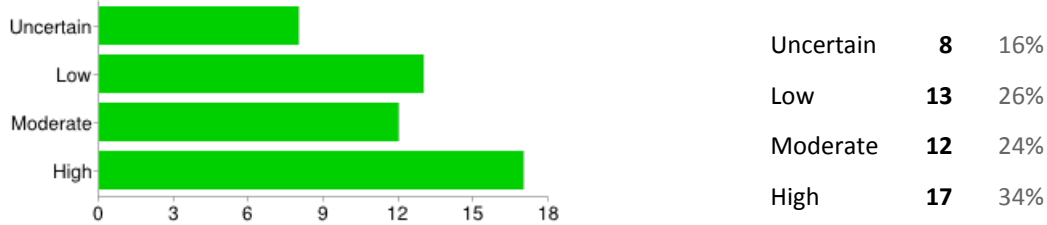


Uncertain	23	46%
Low	18	36%
Moderate	9	18%
High	0	0%

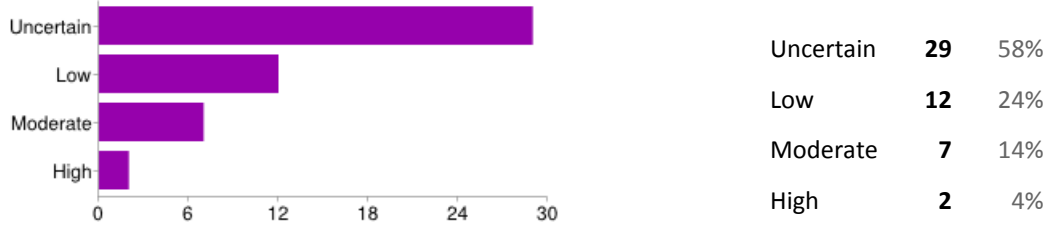
9. Sole Source procurement [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



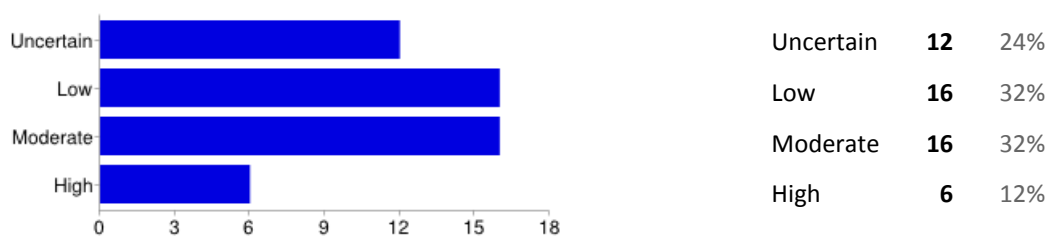
10. Emergency procurement [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



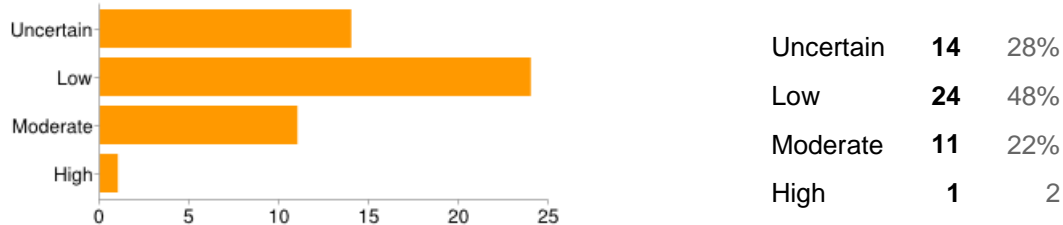
11. Participation in an auction or bankruptcy sale [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



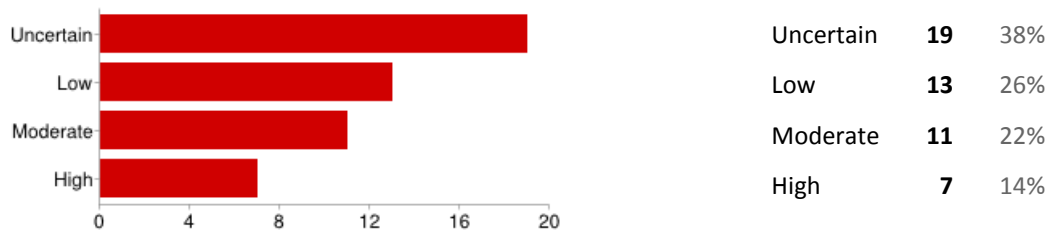
12. Information Technology [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



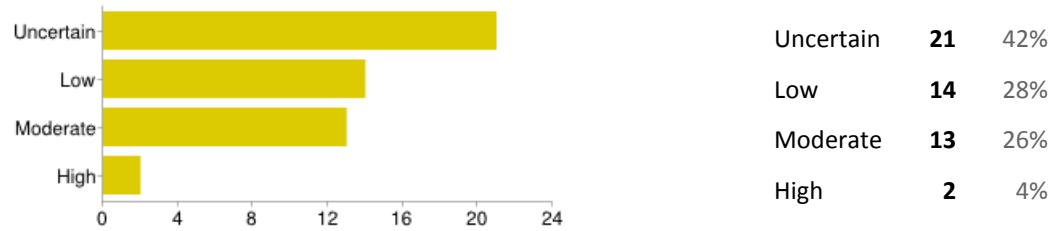
13. Statewide Term Contracts [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



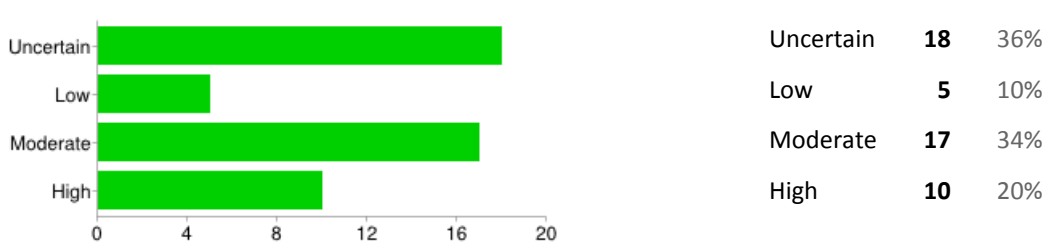
14. Construction Based - architect, engineer & land surveying [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



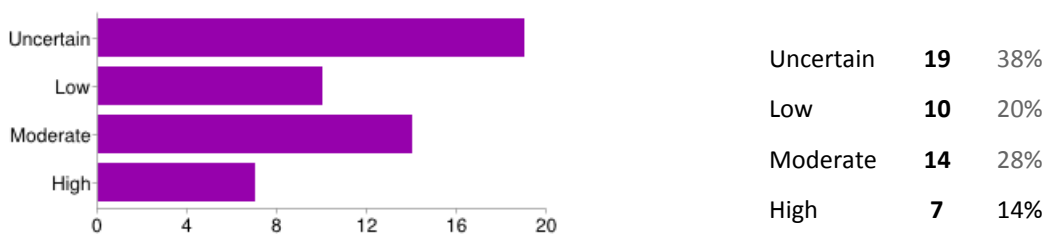
15. Small < \$25,000, architect, engineer & land surveying [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]



16. Indefinite Delivery Contracts [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]

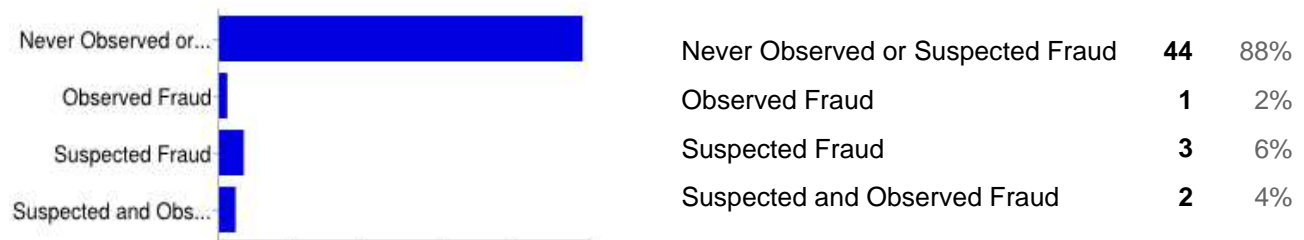


17. Exempt services & commodities [12. Please rate the risk (likelihood & impact) of fraud for the State's 17 procurement processes/source selection methods:]

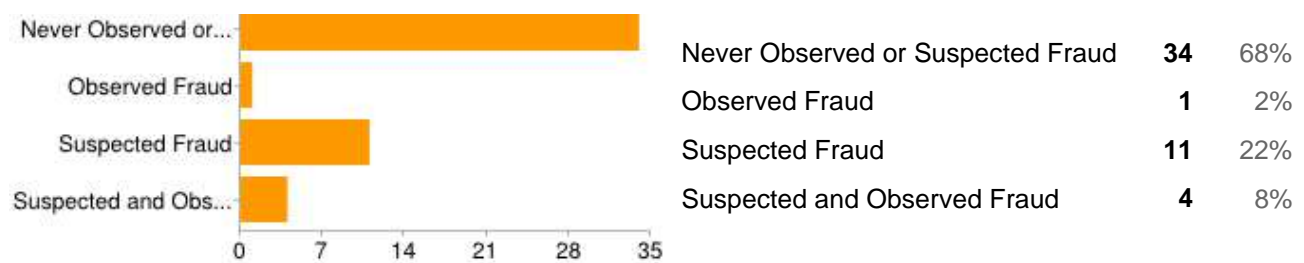


This risk assessment looks at the risk of fraud and corruption in the following five categories:

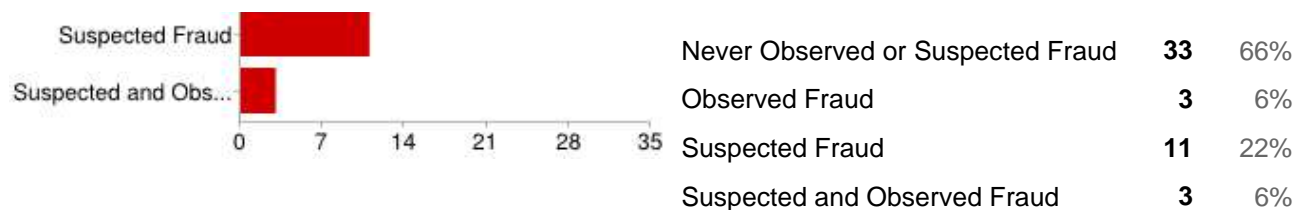
Collusion among vendors [13 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



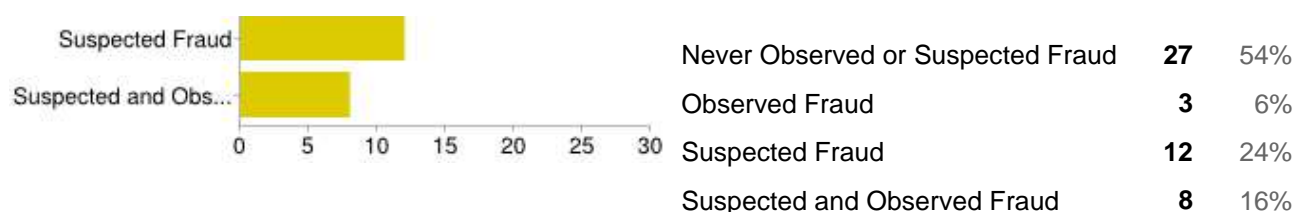
Collusion vendor/employee [13 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



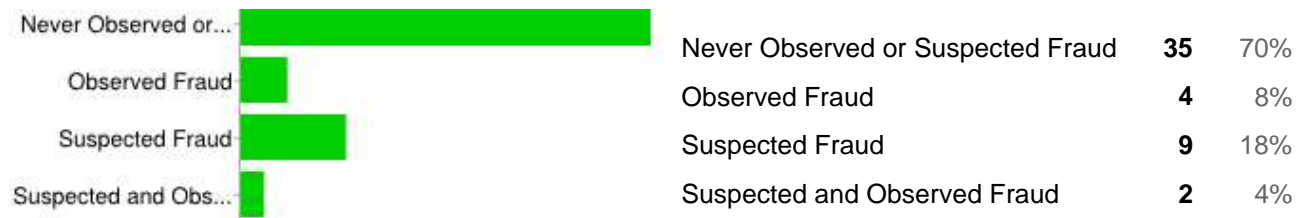
Relationship corruption [13 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



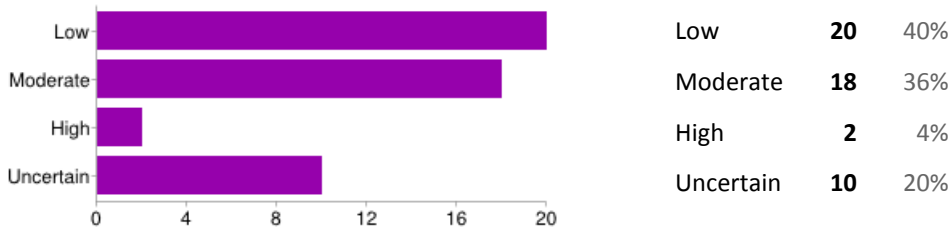
Employee only fraud [13 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



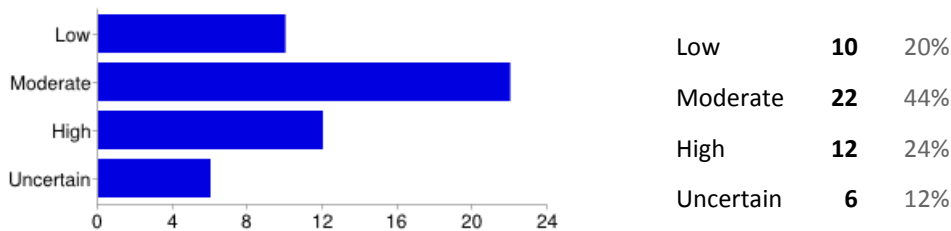
Vendor only fraud [13 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



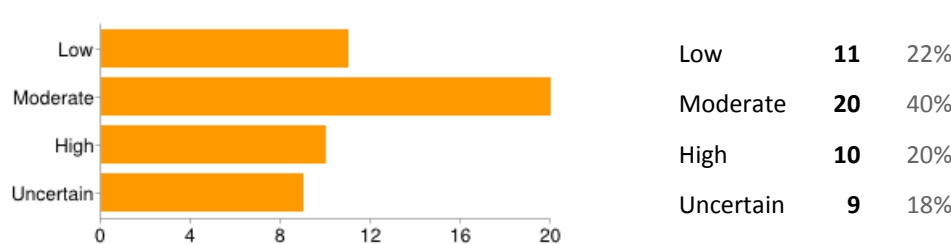
Collusion among vendors [13 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category.]



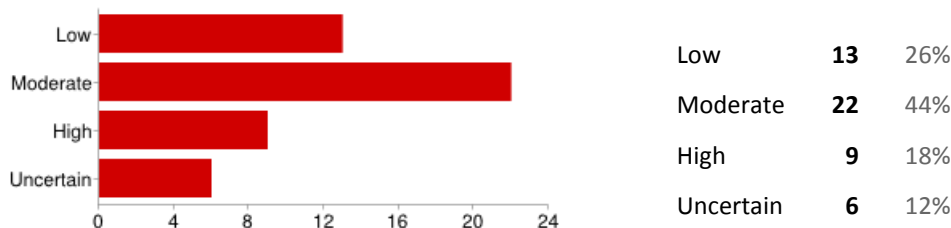
Collusion between vendor/employee [13 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category.]



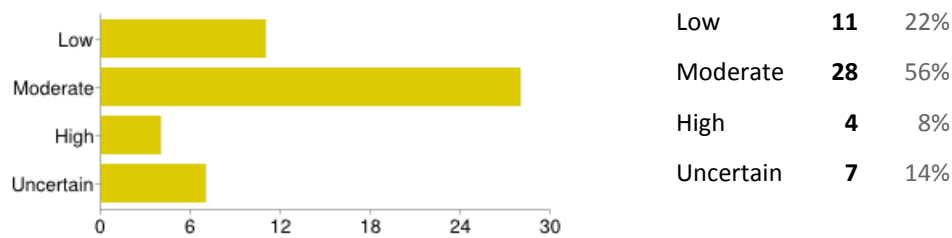
Relationship corruption [13 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category.]



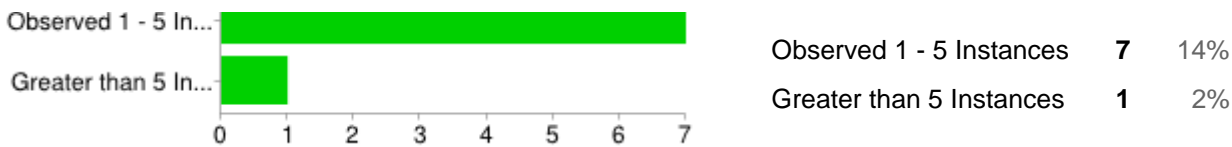
Employee only fraud [13 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category.]



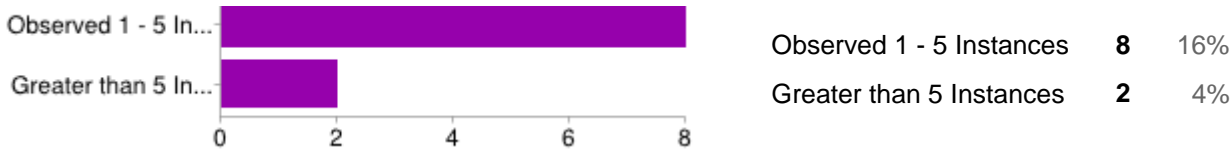
Vendor only fraud [13 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category.]



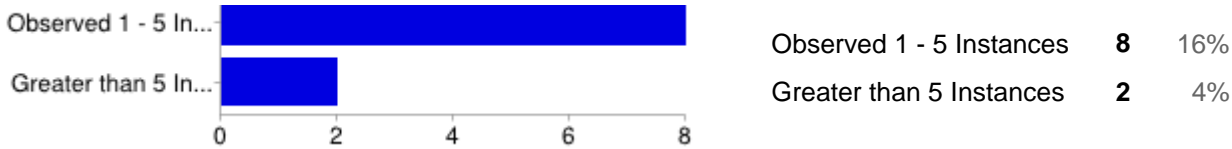
Collusion among vendors [13 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



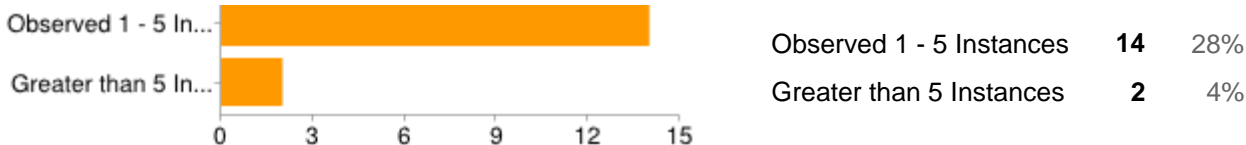
Collusion between vendor/employee [13 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



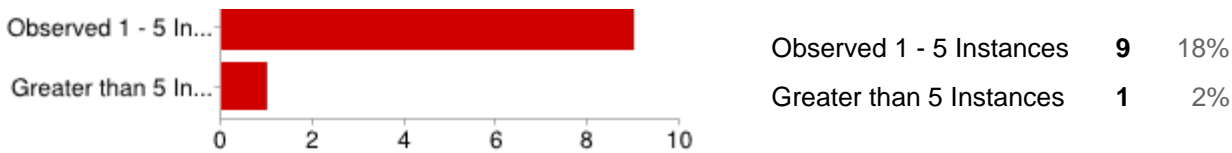
Relationship corruption [13 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



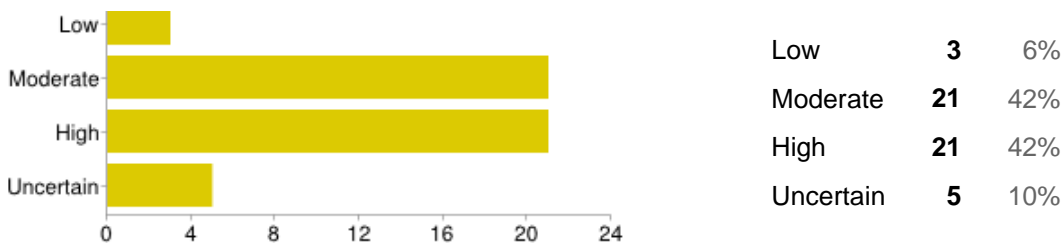
Employee only fraud [13 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



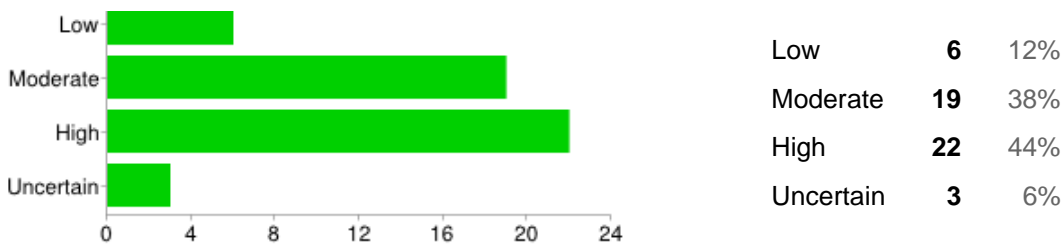
Vendor only fraud [13 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



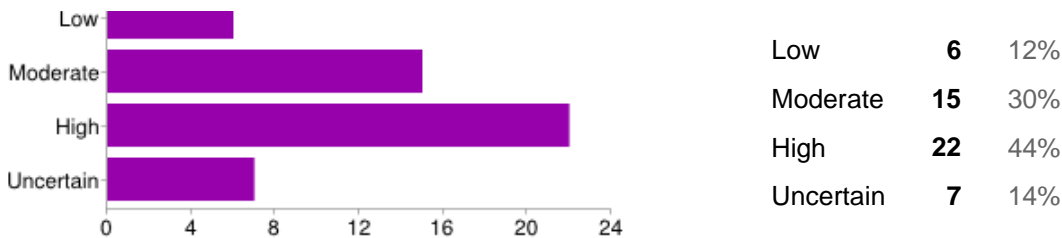
Provide fraud awareness training [14. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



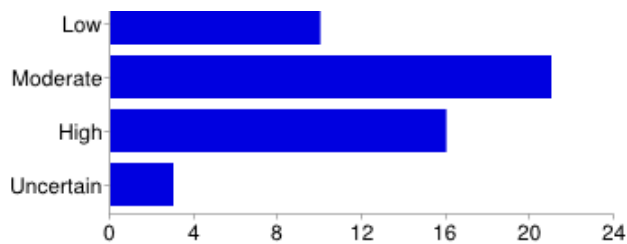
Clarify and heighten ethics standards [14. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



Clarify and elevate SCEIS' audit capabilities [14. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]

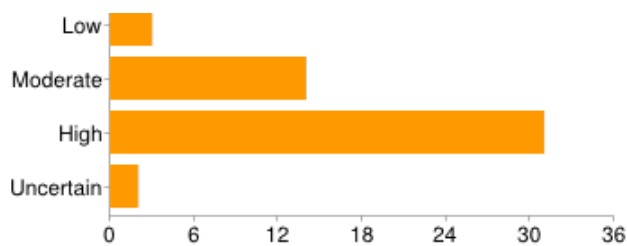


Formalize a statewide procurement procedures manual [14. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



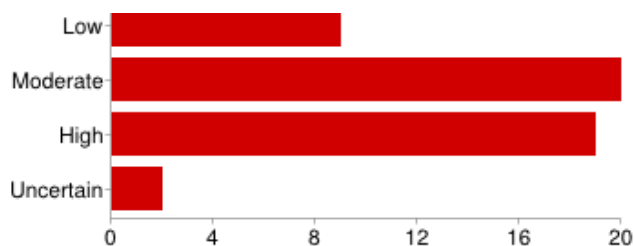
Low	10	20%
Moderate	21	42%
High	16	32%
Uncertain	3	6%

Enhance internal controls of procurement processes [14. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



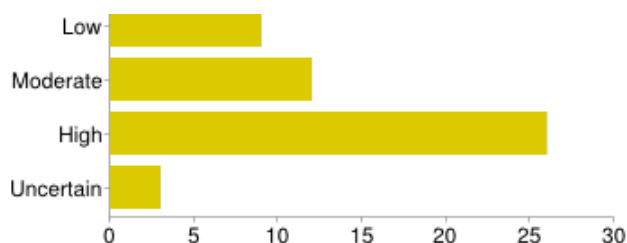
Low	3	6%
Moderate	14	28%
High	31	62%
Uncertain	2	4%

Initiate an annual risk assessment to capture data on the status of occurrences of fraud and corruption in state agencies [14. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



Low	9	18%
Moderate	20	40%
High	19	38%
Uncertain	2	4%

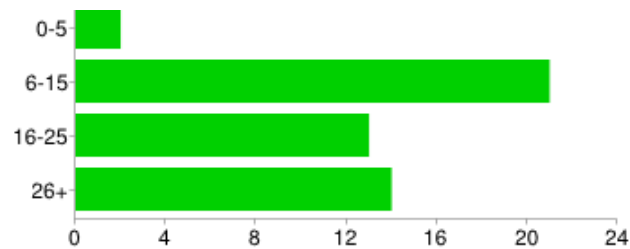
Establish a Procurement Fraud Hotline [14. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption in the procurement process as low, moderate, high, or uncertain:]



Low	9	18%
Moderate	12	24%
High	26	52%
Uncertain	3	6%

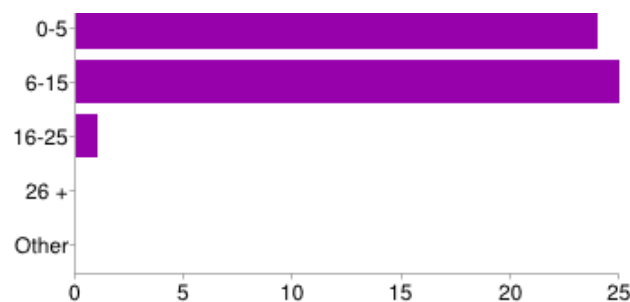
Background Information

A. Total years of your audit experience:



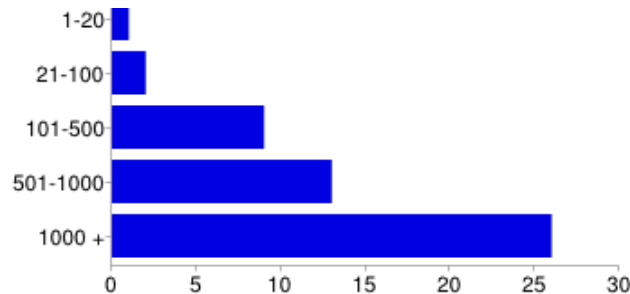
0-5	2	4%
6-15	21	42%
16-25	13	26%
26+	14	28%

B. Number of employees (FTEs) in your audit office:



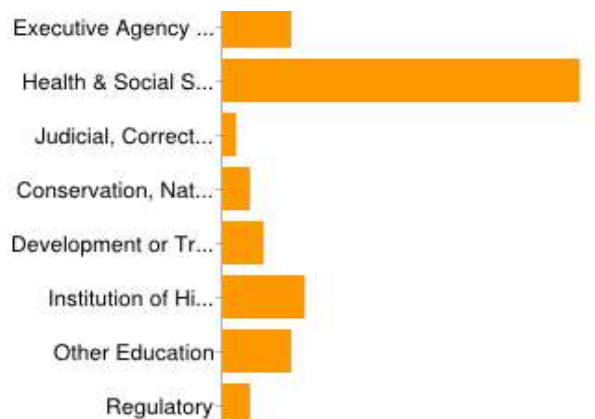
0-5	24	48%
6-15	25	50%
16-25	1	2%
26 +	0	0%
Other	0	0%

C. Number of employees (FTEs) in your agency:



1-20	1	2%
21-100	2	4%
101-500	9	18%
501-1000	13	26%
1000 +	26	52%

D. Please select the category below that best fits the general function of your agency:

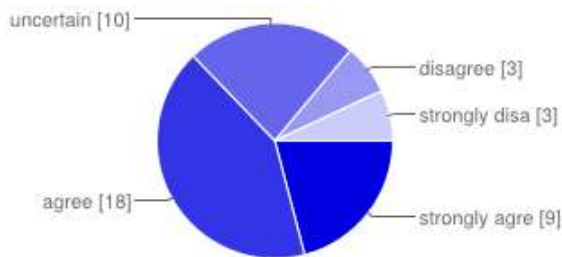


Executive Agency or Administration	5	10%
Health & Social Services	26	52%
Judicial, Correctional, or Criminal Justice	1	2%
Conservation, Natural Resources, or Tourism	2	4%
Development or Transportation	3	6%
Institution of Higher Education	6	12%
Other Education	5	10%
Regulatory	2	4%

Appendix C

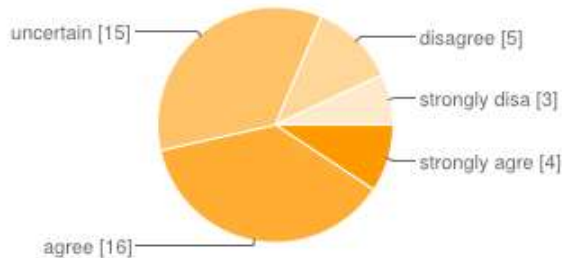
Vendors' Survey Results

1. The State's procurement processes, defined by rules of the SC Procurement Code, are designed to prevent fraud, collusion, or unjust favoritism in the award of public contracts.



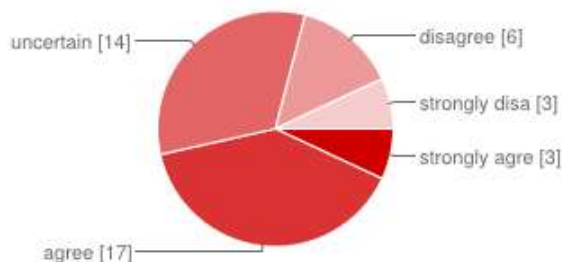
strongly agree	9	21%
Agree	18	42%
Uncertain	10	23%
Disagree	3	7%
strongly disagree	3	7%

2. The State's procurement processes are easily understood.



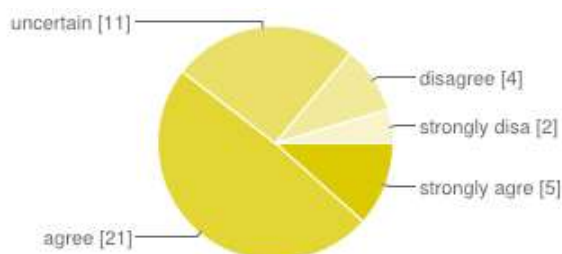
strongly agree	4	9%
Agree	16	37%
Uncertain	15	35%
Disagree	5	12%
strongly disagree	3	7%

3. The State's procurement processes operate with fairness.



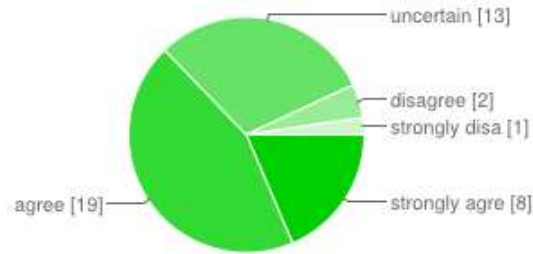
strongly agree	3	7%
agree	17	40%
uncertain	14	33%
disagree	6	14%
strongly disagree	3	7%

4. My experience with the state employees involved in the procurement process indicate they have the appropriate knowledge and skills to conduct the procurement processes in a professional manner.



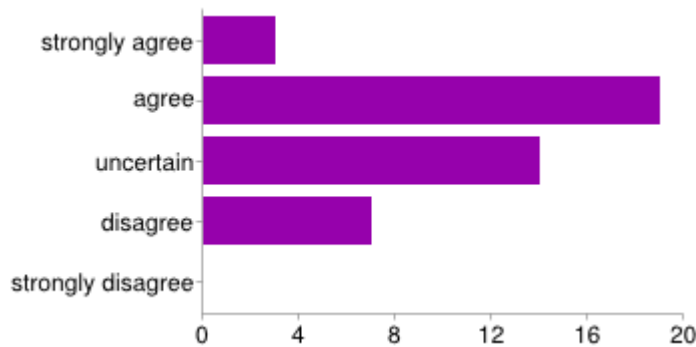
strongly agree	5	12%
agree	21	49%
uncertain	11	26%
disagree	4	9%
strongly disagree	2	5%

5. The state employees charged with the responsibility to conduct the procurement processes operate with integrity.



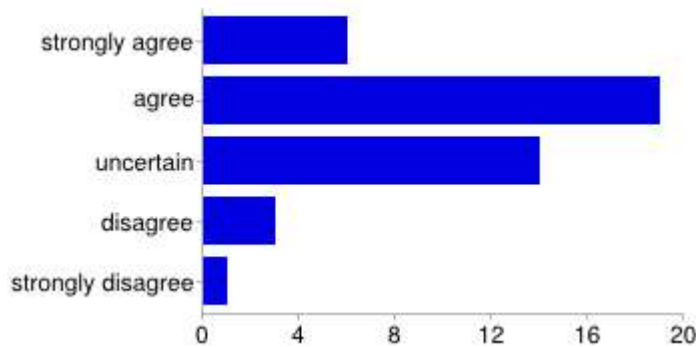
strongly agree	8	19%
agree	19	44%
uncertain	13	30%
disagree	2	5%
strongly disagree	1	2%

a. The Division of Procurement Services (DPS). [6. I am is satisfied with the administration of the procurement processes conducted by:]



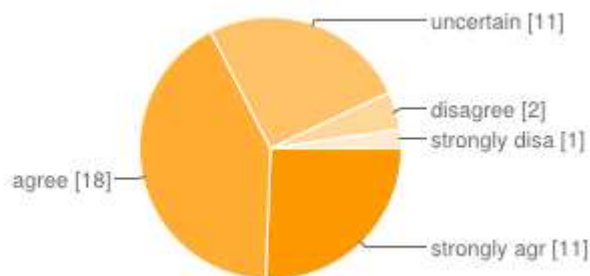
strongly agree	3	7%
agree	19	44%
uncertain	14	33%
disagree	7	16%
strongly disagree	0	0%

b. The State Agency (ies) our company services. [6. I am is satisfied with the administration of the procurement processes conducted by:]



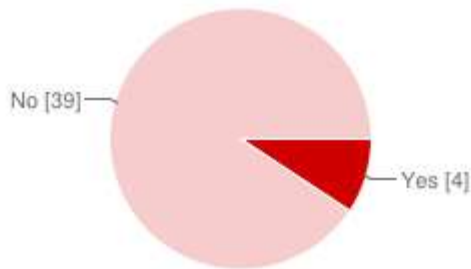
strongly agree	6	14%
agree	19	44%
uncertain	14	33%
disagree	3	7%
strongly disagree	1	2%

7. I am satisfied with the Division of Procurement Services' assistance and outreach tools such as SCBO and website helpfulness (<http://procurement.sc.gov/PS/PS-index.phtm>).



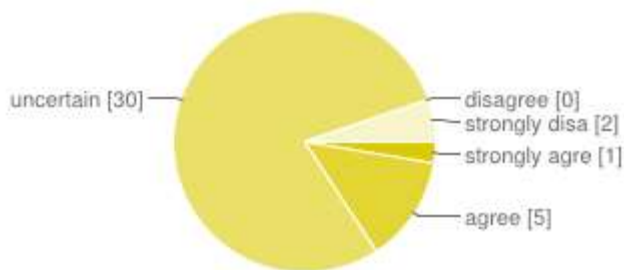
strongly agree	11	26%
Agree	18	42%
Uncertain	11	26%
Disagree	2	5%
strongly disagree	1	2%

8 a.) Have you ever engaged the State's Vendor Conflict Resolution process (protest to Chief Procurement Officer or appeal to Procurement Review Panel)?



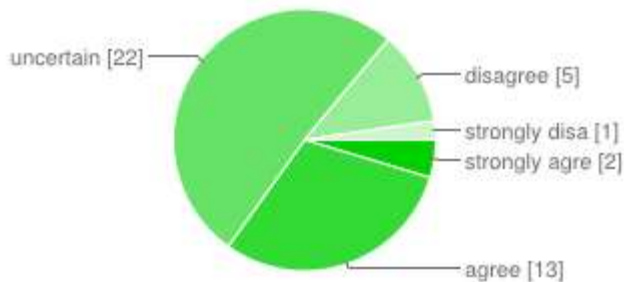
Yes 4 9%
No 39 91%

8 b.) The State's Vendor Conflict Resolution process is conducted fairly.



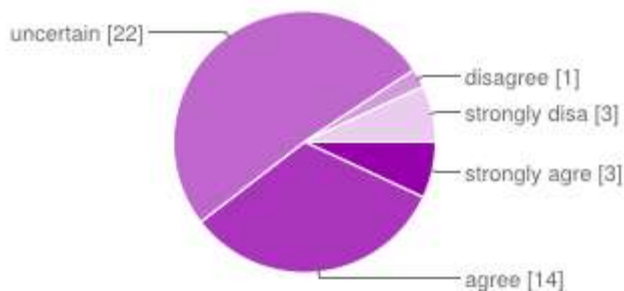
strongly agree 1 2%
Agree 5 12%
Uncertain 30 70%
Disagree 0 0%
strongly disagree 2 5%

9. I am comfortable appealing a procurement solicitation decision without the fear of future retaliation by the procuring state agency.



strongly agree 2 5%
Agree 13 30%
Uncertain 22 51%
Disagree 5 12%
strongly disagree 1 2%

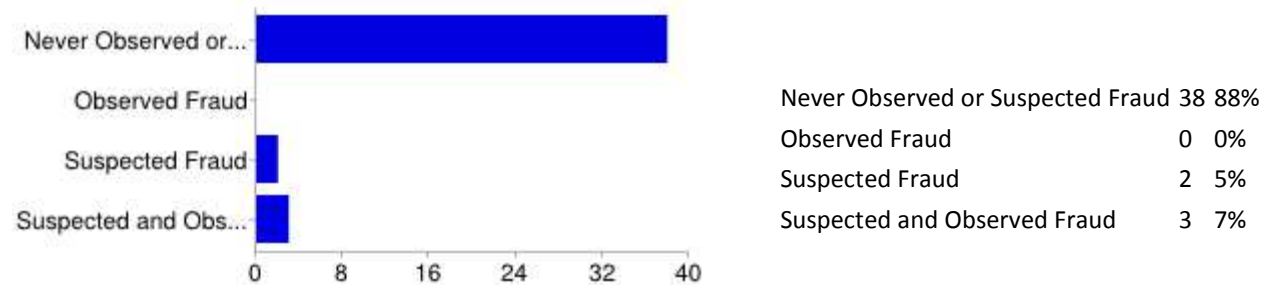
10. Post award contract monitoring by state agencies is efficient and effective.



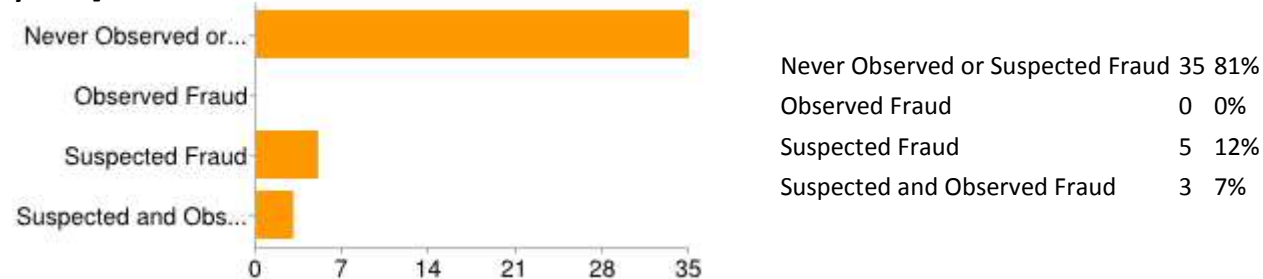
strongly agree 3 7%
Agree 14 33%
Uncertain 22 51%
Disagree 1 2%
strongly disagree 3 7%

This risk assessment looks at the risk of fraud and corruption in the following five categories:

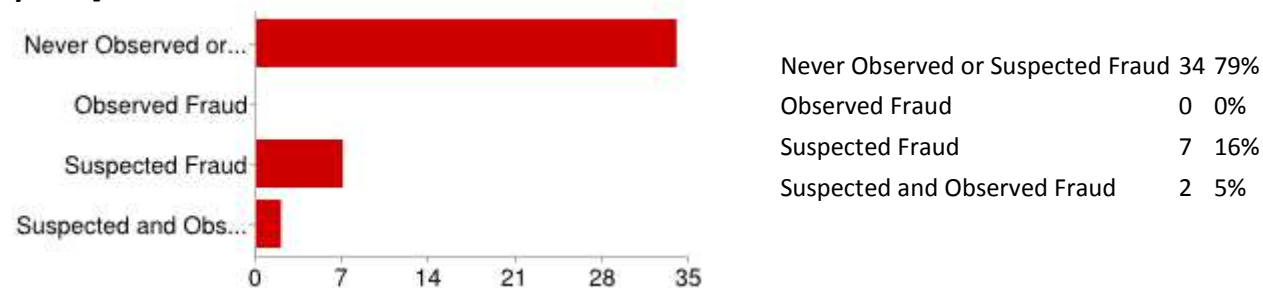
Collusion among vendors [11 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



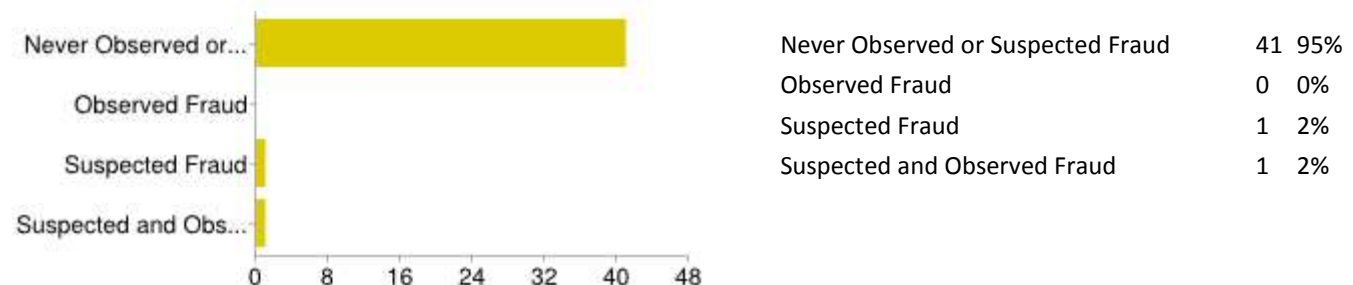
Collusion vendor/employee [11 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



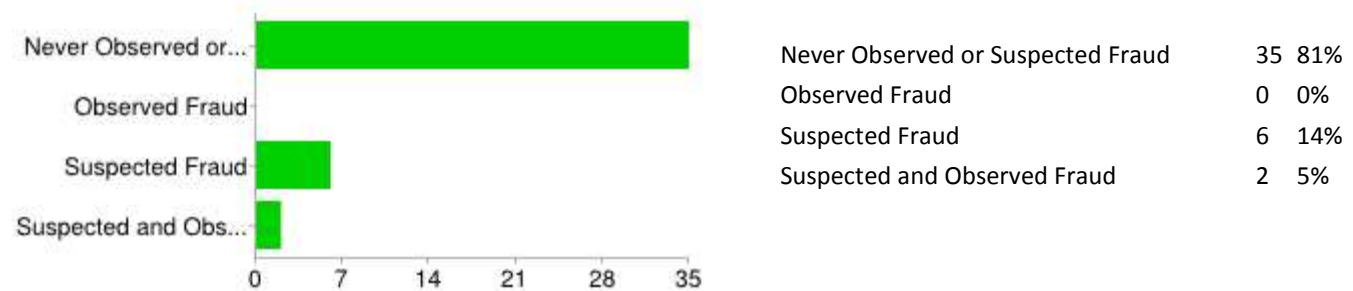
Relationship corruption [11 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



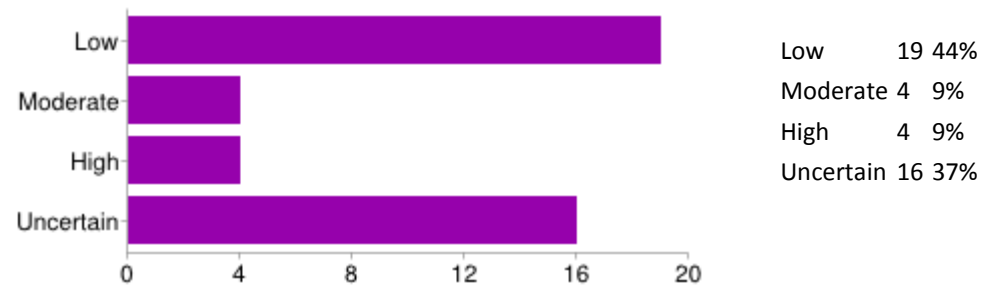
Employee only fraud [11 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



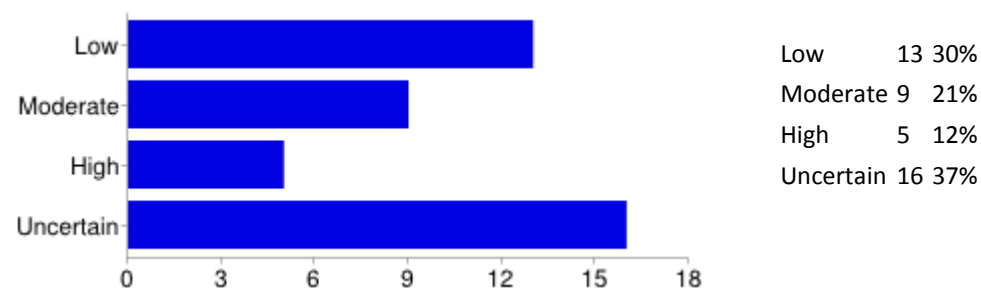
Vendor only fraud [11 a.) Please indicate whether you have observed or suspected fraud or corruption as it pertains to the above five fraud and corruption risk categories during the past three years:]



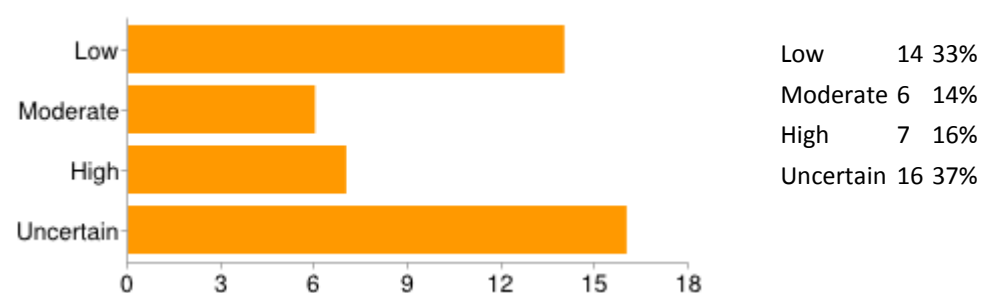
Collusion among vendors [11 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category (check low, moderate, high, or uncertain).]



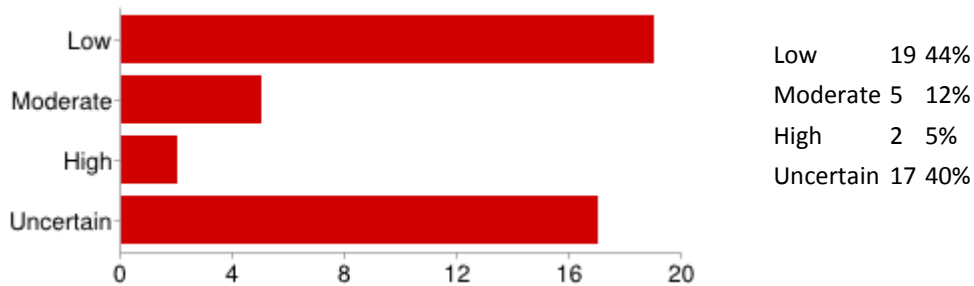
Collusion between vendor/employee [11 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category (check low, moderate, high, or uncertain).]



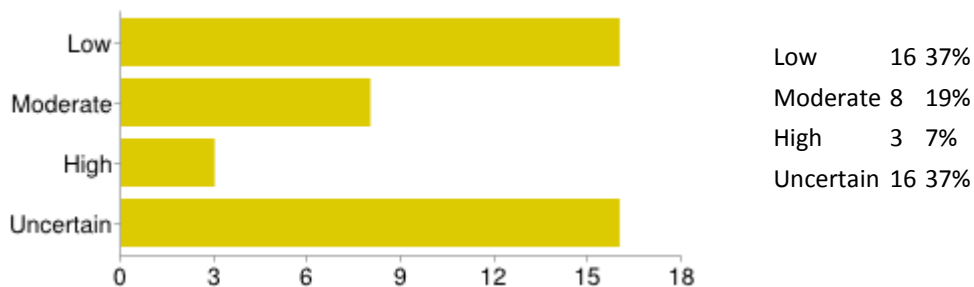
Relationship corruption [11 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category (check low, moderate, high, or uncertain).]



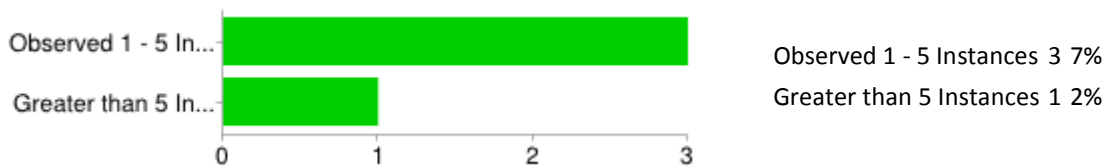
Employee only fraud [11 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category (check low, moderate, high, or uncertain).]



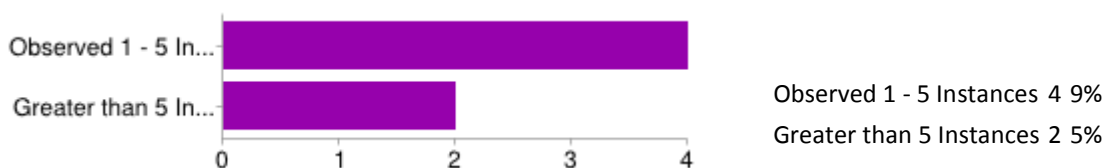
Vendor only fraud [11 b.) Please rate the risk (likelihood & impact) of fraud or corruption for each risk category (check low, moderate, high, or uncertain).]



Collusion among vendors [11 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



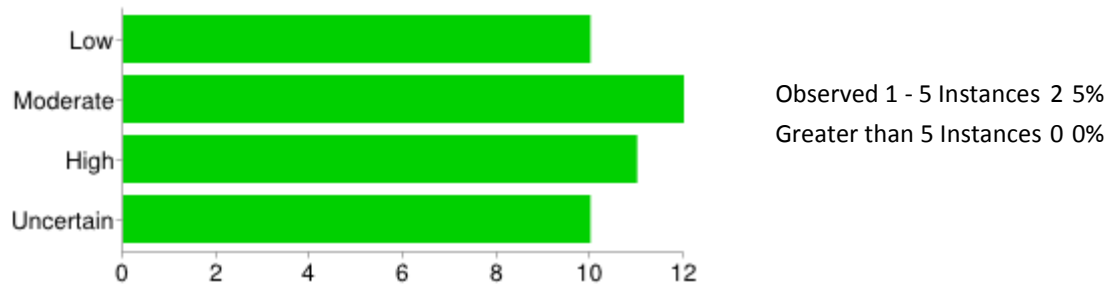
Collusion between vendor/employee [11 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



Relationship corruption [11 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



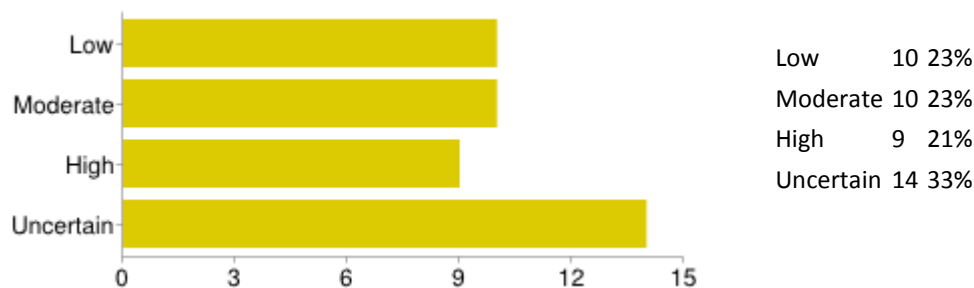
Employee only fraud [11 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



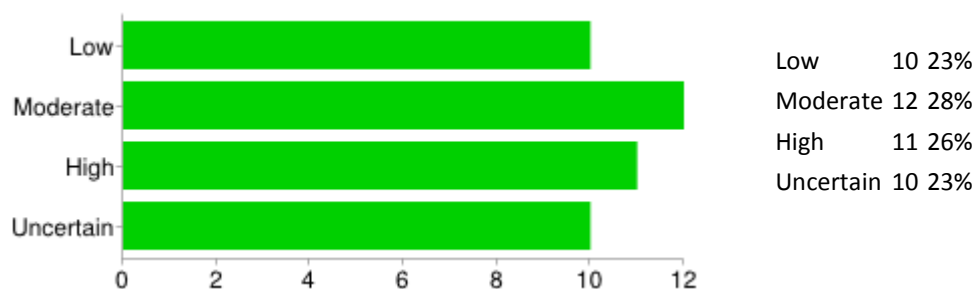
Vendor only fraud [11 c.) IF YOU HAVE OBSERVED FRAUD, please indicate the number of incidents of fraud or corruption you have OBSERVED in the procurement process during the past three years.]



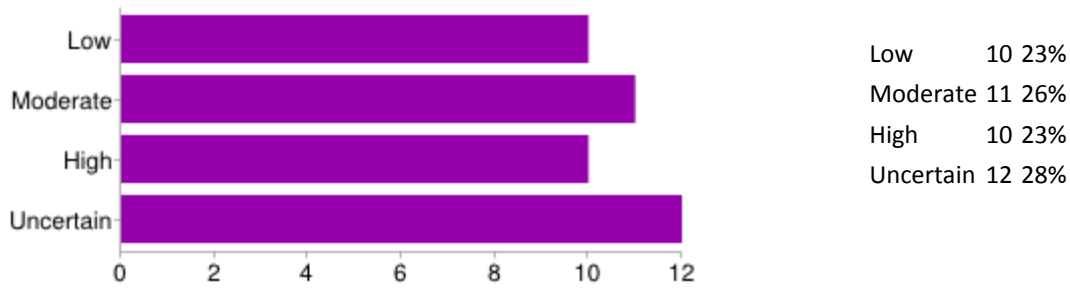
Increase procurement training to State employees involved [12. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption within the procurement process as low, moderate, high, or uncertain:]



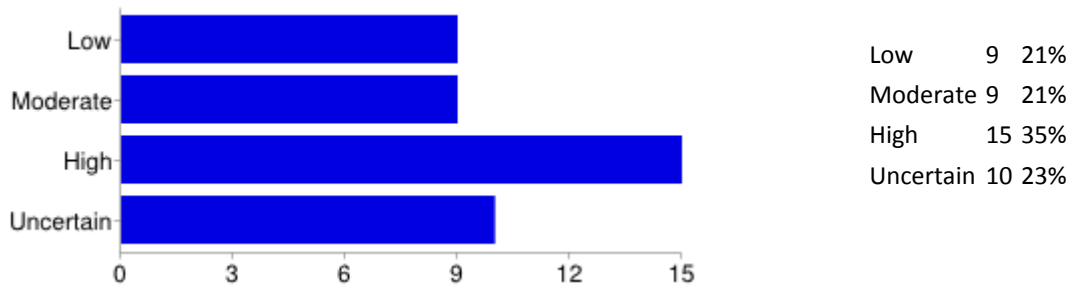
Enhance education of procurement processes for the vendors [12. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption within the procurement process as low, moderate, high, or uncertain:]



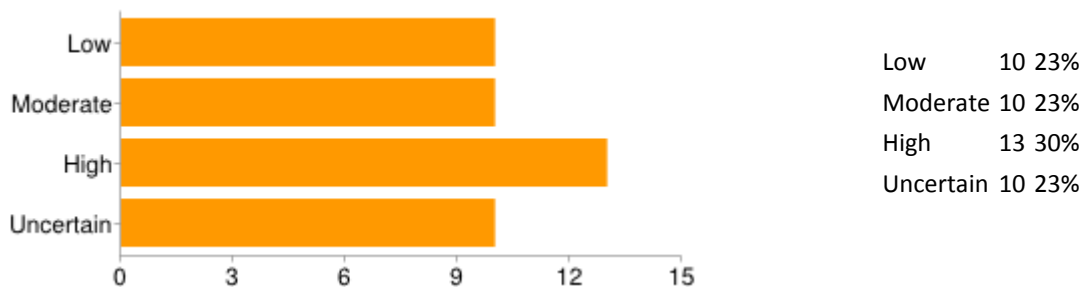
provide additional education on the use of SCEIS & DPS website [12. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption within the procurement process as low, moderate, high, or uncertain:]



Initiate an annual satisfaction survey to capture issues/concerns of the vendor community [12. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption within the procurement process as low, moderate, high, or uncertain:]

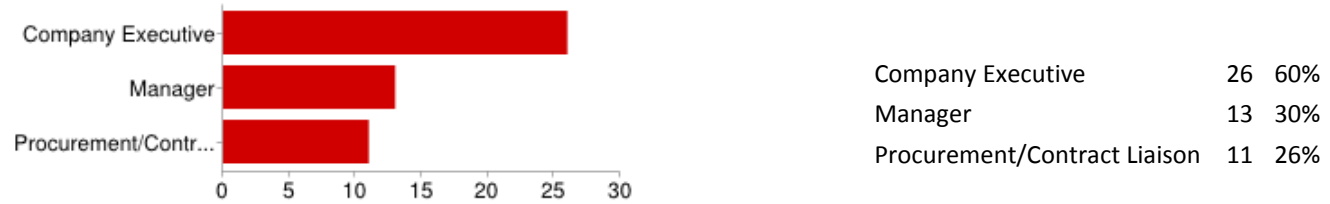


Establish a Procurement Fraud Hotline [12. Please rate the following potential improvements to reduce/mitigate the risk of fraud and corruption within the procurement process as low, moderate, high, or uncertain:]

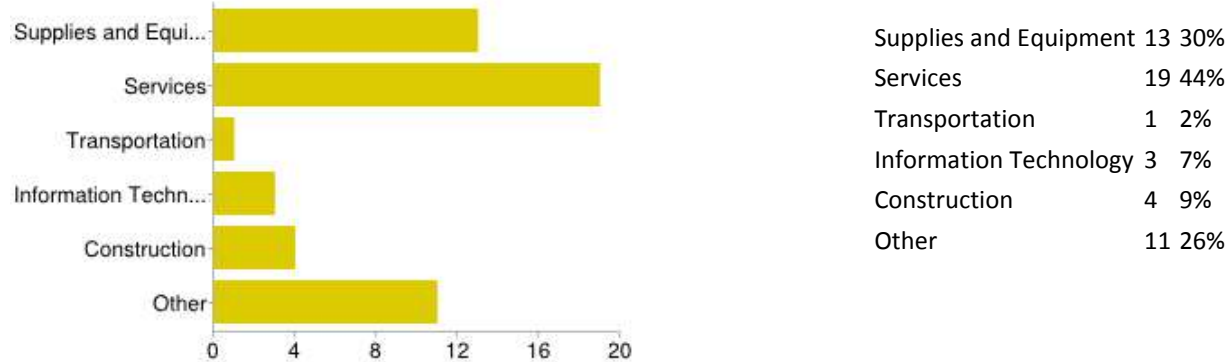


Background Information

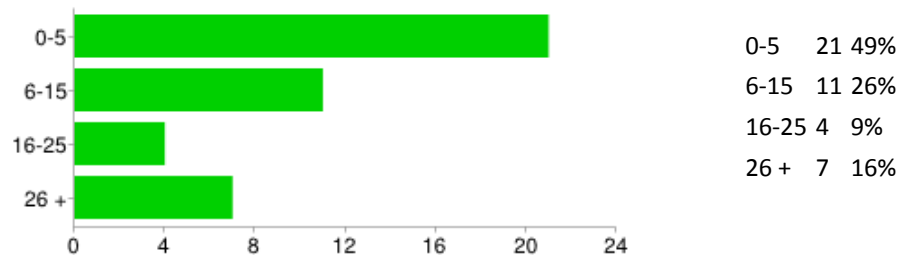
A. Indicate your position with the company:



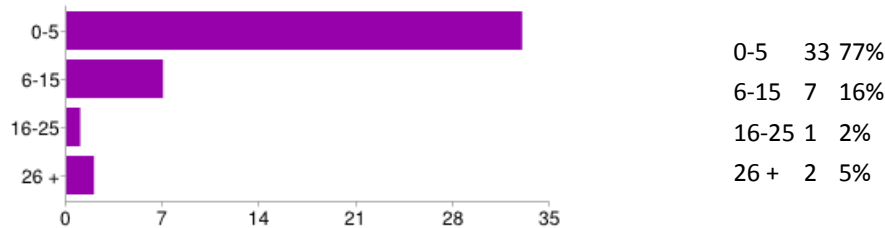
B. Generally what type (s) of products or services does your company provide to the State?



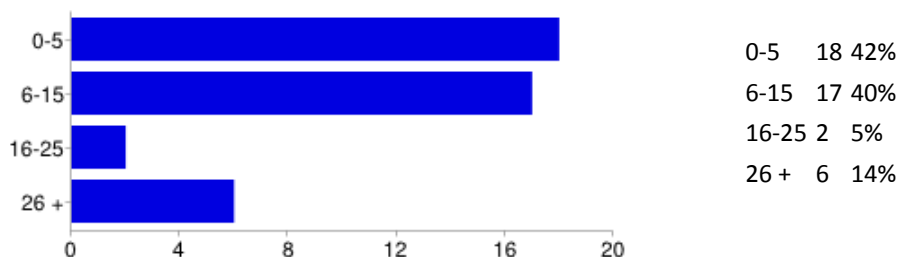
C. Approximately how many state procurements does your company participate in annually?



D. Approximately how many state contracts has your company been awarded annually?



E. Approximately how many years has your company been a vendor for the State of South Carolina?



Appendix D

Structured Interview Questions for Procurement Officers

Introductory Statement: The SIG will be conducting a Statewide Procurement Risk Assessment for Fraud, Waste and Abuse (FWA). The state executes its \$24 billion annual budget through 17 different procurement processes. The SIG will collect available empirical data. Most importantly, the SIG will interview and survey state employees closest to the procurement process, as well as vendors, using the SIG's ability to collect data **while providing complete confidentiality and report results without attribution.**

The public's perception of government, at all levels, is not great. I personally have a strong belief grounded in investigating fraud and public corruption in government for over 30 years that government, at all levels, and is much better than the public's perception. Nevertheless, the public rightfully expects every state employee to operate with the highest fiduciary mindset to always put the public's interest first in our actions, as well as build transparent processes that support the same. The goal of this review is not to "find" FWA, but to find weaknesses in our processes that create opportunities for FWA.

The ultimate premise in this risk assessment is to improve the processes to increase the risk of detection for perpetrators of FWA, which is, by far, the greatest deterrent in preventing FWA. Audits generally don't find FWA. Discovery normally comes from clarity in processes so those operating with less than the highest fiduciary mindset will likely expose themselves, along with well-publicized confidential reporting processes, such as the SIG's hotline, set up for employees to easily report "red flags."

Questions Pertaining to Your Organization:

- A. Ethics: What specific state or agency ethics rules impact employees involved in agency procurements?
- Gifts? Conflict of Interest (COI)? Written or understood? **Appearance of COI?**
- B. SC Statute provides for 17 different types of procurement. For each type, please walk through the process workflow at a high level and then rate frequency of use **IN YOUR AGENCY**, compliance risk, and fraud risk on the following scale **1-Low; 3-Medium; 5-High.**

	Procurement Type	Freq- uency	Compl Risk	Fraud Risk
	Small purchases < \$50,000 (3 types)			
1	<2500-no bids-just reasonable (\$10,000 for Higher Education agencies)			
2	>2500 but <10,000 - 3 written quotes			
3	>10,000 but <50,000 – 3 Quotes & Advertising			
	Competitive procedures > 50,000 (5 types)			
4	RFP - Sealed proposals			
5	Sealed bidding			
6	Fixed price bidding			
7	Best value bidding			
8	On-line bidding			
9	Sole Source			
10	Emergency Procurement			
11	Sale from Auction or Bankruptcy			
12	Information Technology			
13	Statewide Term Contract			
14	Construction Based - Professional Services Contracts-Architect-Engineer & Land Survey....			
15	Small Architect-Engineer & Land Surveying Services Contracts < \$25,000			
16	Indefinite delivery contracts-source selection method assigned to project delivery			
17	Exemptions: General Assembly exemptions for certain agencies and commodities			

C. Fraud Awareness Training: Does your agency have a fraud policy, and is fraud training provided?

D. **This review looks at the risk of fraud in five categories:**

- Collusion among Vendors
- Collusion between Vendor and Employee
- Relationship Corruption
- Employee only Fraud
- Vendors only Fraud

The following questions pertain to State Government in general based on **Your Experience or Perceptions** we want to capture your opinion on a common rating scale. The questions are on a five point scale from **1 (Extremely Low) to 5 (Extremely High)**.

Collusion among Vendors: bid rigging; bid rotation; bid suppression; market division.

1. Have you ever suspected an instance of collusion among vendors? If so, pls comment.
2. Based on your experience, what is the risk of collusion among vendors dealing with SC government?

1	2	3	4	5	
Extremely Low	Low	Moderate	High	Extremely High	Uncertain

Collusion between Vendor and Employee: bid tailoring; bid evaluation bias; unbalanced bidding; leaking bid information; unjustified sole source awards.

1. Have you ever suspected an instance of collusion between a vendor and an employee? If so, pls comment.
2. Based on your experience, what is the risk of collusion between a vendor and an employee?

1	2	3	4	5	
Extremely Low	Low	Moderate	High	Extremely High	Uncertain

Relationship Corruption--- employee contacted to influence vendor selection by a third party, such as higher level management, personal relationship, or a political official, where the third party has the position authority to help or hurt the employee in the future.

1. Have you ever suspected an instance of relationship corruption in the procurement process? If so, pls comment.
2. Based on your experience, what is the risk of relationship corruption in the procurement process?

1	2	3	4	5	
Extremely Low	Low	Moderate	High	Extremely High	Uncertain

Employee only Fraud---generally embezzlement or fraudulent disbursement schemes.

1. Have you ever suspected an instance of employee fraud/or scheme in the procurement process? If so, pls comment.
2. Based on your experience, what is the risk of employee fraud or scheme in the procurement process?

1	2	3	4	5	
Extremely Low	Low	Moderate	High	Extremely High	Uncertain

Vendor only Fraud—generally post award performance schemes circumventing an agency’s contract monitoring procedures, such as false/inflated invoices, duplicate invoices, non-conforming goods or services, change order abuse, cost mischarging, or commingling contracts.

1. Have you ever suspected an instance of vendor fraud performance schemes in the procurement process? If so, pls comment.
2. Based on your experience, what is the risk of vendor fraud performance schemes in the procurement process?

1	2	3	4	5	
Extremely Low	Low	Moderate	High	Extremely High	Uncertain

- E.** Have you had a vendor protest to the CPO? Have you had a Procurement Review Panel appeal? Please describe the process and any positives, negatives, or areas of interest?

- F.** Do you have any issues, concerns or suggestions for improvement related to the procurement process or fiscal management of contract operations that you would like to discuss?
